

FBI

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SEVEN-NATION SUMMIT OPENS IN TOKYO 4 MAY

OW041645 Beijing XINHUA in English 1438 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- Leaders of seven major industrialized countries began their 12th annual meeting here this afternoon to seek political unity and coordinate economic policies. Japanese Prime Minister Yasuhiro Nakasone gave a red-carpet welcome this afternoon at Akasaka Palace to heads of state attending the meeting, who are President of the United States Ronald Reagan, British Prime Minister Margaret Thatcher, French President Francois Mitterrand, Federal German Chancellor Helmut Kohl, Italian Prime Minister Bettino Craxi, Canadian Prime Minister Brian Mulroney, President of the European Council Ruud Lubbers and President of the Commission of European Communities Jacques Delors. After the welcoming ceremony, Prime Minister Nakasone gave a reception at the New Otani Hotel.

During the dinner following the reception, leaders exchanged views on East-West relations and arms control, and called for unity among the Western countries. They also agreed to add international terrorism and the Soviet nuclear plant accident to their meeting's agenda.

The political discussion begun this evening is expected to continue until tomorrow morning when a political statement, as well as a special declaration on international terrorism and a statement on the Soviet nuclear plant accident will be issued. The meeting will broach economic issues tomorrow.

Observers here say that the failure of Japan and the United States to agree on slowing the appreciation of the Japanese yen during their pre-summit meeting yesterday will cast a shadow over the meeting on economic issues.

The annual economic summit of the major industrialized countries began in 1975 shortly after the world oil crisis. This is the second time Tokyo has hosted the meeting.

Chernobyl Accident on Agenda

OW041026 Beijing XINHUA in English 0935 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- The Chernobyl nuclear station accident might be high on the agenda of the Tokyo summit as heads of the seven major industrialized countries have repeatedly expressed their concern over the issue.

Federal Germany Chancellor Helmut Kohl said today that during his talks with Japanese Prime Minister Yasuhiro Nakasone he insisted that the summit meeting which is scheduled to open this afternoon should issue a joint declaration on nuclear safety.

Nakasone, who is host of the summit meeting and has the right to rule on what subject should be discussed has agreed that the nuclear accident will be one of the issues on the meeting's agenda together with other topics like world economy, international terrorism, and East-West relations, according to Friedhelm Ost, spokesman of the Federal German Chancellor.

U.S. President Ronald Reagan also criticized the Soviet Union yesterday for "its failure to give the outside world the accurate and full information about the accident." White House spokesman Larry Speakes said that Washington wanted the summit to call on Moscow to improve its procedures for the inspection of Soviet reactors by the International Atomic Energy Agency (IAEA).

A joint political statement by the summit participants -- Britain, Canada, France, Italy, Japan, Federal Germany and the United States -- might be issued Monday and could include mention of what attitude is to be adopted toward the accident, he said.

The nuclear accident occurred last Monday at the nuclear power-generating plant near Kiev, western Soviet Union, causing explosion and fire.

Call for Statement on Terrorism

OW041227 Beijing XINHUA in English 1156 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- Britain and the United States today urged that a concrete statement on terrorism should be issued at the seven-nation summit which opened here today. In a briefing on British Foreign Secretary Geoffrey Howe's separate meetings with U.S. Secretary of State George Shultz and Japanese Foreign Minister Shintaro Abe earlier today, a British spokesman said Howe and Shultz talked for nearly one hour and "it became quite clear that the two sides wanted to see some credible statement" on terrorism from the summit. He said that Shultz wanted the statement to be "as concrete as possible" and that Britain shared that view. Anti-terrorist measures agreed to at a series of European community meetings last month were likely to provide the basis for the projected statement, the spokesman added.

Terrorism has become an outstanding global issue since the controversial U.S. air raid on Libya on April 15 and is expected to top the agenda of the summit. Observers here noted that Britain and Canada are the only two parties to the summit that have given unqualified support to the U.S. bombing.

According to earlier Western news reports, there has been a divergence of opinion in the United States and Europe as regards the U.S. bombing. While 70 to 80 percent of the Americans approved of President Reagan's action, two thirds of Western Europeans expressed disapproval, the reports said. Most European countries held that the air strike solved nothing and are opposed to more drastic action. Other countries around the world also condemned the U.S. air strike as an act violating the norms guiding international relations and a fight against terrorist activities with greater terrorist moves.

Monetary Policy, Trade Issues

OW030250 Beijing XINHUA in English 0219 GMT 3 May 86

["News Analysis: Tokyo Summit and Western Economic Problems by Zhang Xichun" -- XINHUA headline]

[Text] New York, May 2 (XINHUA) -- On the eve of the annual summit of the seven Western industrial countries scheduled for May 4-7 in Tokyo, people are not sure what kind of agreement these countries would reach on coordinating their efforts in solving the economic problems facing the West.

This year, the plummeting oil prices have brought many benefits to major industrialized countries, especially those dependent on oil import. As a result, their expenses on oil were reduced, unemployment rates fell and interest rates went down. All this has been stimulating consumption and industrial production. For this reason, Western observers hold that the prospects of this year's summit -- attended by leaders from the United States, Japan, Federal Germany, France, Canada, Italy, Britain and the European Economic Community -- would be better than last year's.

Nevertheless, there are still a number of factors, including serious structural problems as termed by the press here, that are affecting the stability of Western economies. One of the most controversial issues is monetary exchange rates. In fact, this is a problem caused by American policies. The high interest rates policy adopted by the United States had kept the dollar firm for a long time, which boosted an inflow of foreign capital but had negative effects on export.

The United States suffered a trade deficit amounting to nearly 150 billion dollars by the end of 1985, with much of its home markets taken over by foreign goods. To improve its trade balance, the United States decided to force down the dollar against other currencies to promote its exports.

The finance ministers of the United States, Britain, Federal Germany, France and Japan, known as the Group of Five (G-5), agreed at a meeting in New York last September to take coordinated measures to devalue the dollar. By April 28, the value of the Japanese yen had risen by 30 percent and the Deutsch mark by 23 percent against the U.S. dollar compared with the days before the New York meeting. This change, which is helpful to U.S. exports as expected, already has caused panic on the financial market. It is feared that the devaluation of the dollar might undermine people's confidence in the U.S. currency and lead to selling dollars in big quantities, which, some analysts argued, might cause an uncontrolled free fall for the dollar.

At the same time, Americans, who thought the devalued dollar was frustrating foreign investors by reducing their benefits, again raised their interest rates, a move which would somewhat offset advantages for the U.S. economic expansion. Therefore, experts have repeatedly warned that the dollar has been devalued too much.

Facing this situation, the U.S. Government is trying to further the value rise of the yen and the mark on one hand, and advocating the building of a more managed world monetary system in the place of the free fluctuation system on the other. The purpose of these efforts is to maintain the dollar's exchange rates against the yen and the mark at a level in favor of the United States.

At a mid-April International Monetary Fund (IMF) meeting, U.S. Finance Secretary James Baker proposed to his four G-5 counterparts that target zones be set up for the fluctuations of major Western currencies and demanded countries involved adopt coordinated monetary and economic policies. But, the Baker project was controversial among some U.S. allies. Opposing the Baker project, the ministers from Japan and Federal Germany questioned whether the exchange rates the United States demanded were in the interests of the two countries. "The question is," said Bonn's Finance Minister Gerhard Stoltenberg, "who would decide the zones, and even more important, who would defend them."

Meanwhile, Dutch Finance Minister H. Onno Ruding said that the stress on adjusting a country's home policies to the international situation would no doubt weaken the economic sovereignty of that country.

U.S. President Ronald Reagan will reportedly press the leaders of the six U.S. allies at the Tokyo summit for the building of the U.S. proposed monetary system. But the U.S. press predicted that the divided West can hardly turn the Baker project into a reality.

Then comes the problem of protectionism, a long argument between the United States and its leading Western partners. It has heated up because of the huge trade deficit in the United States in the recent years. The Reagan administration, while voicing opposition to protectionism, is exploiting the sentiment of protectionism in the U.S. Congress and industrial sectors as a pressure to urge Japan and Western Europe to open their markets wider for American products. Meanwhile, the White House has taken measures against the dumping of foreign goods in the United States to please the protectionists at home.

Washington and Tokyo reached an agreement last January to lift restrictions on U.S. exports of communications facilities, medical equipment and electronics to Japan. In March, the Reagan administration went a step further by taking "a radical new approach" towards the U.S.-Japanese trade issue. It asked Tokyo to change its basic domestic policy to turn Japan into a major buyer of American products. This shows that Washington is not content with Japan's decision to lift restrictions on only a few products but desires to solve the long-standing trade imbalance between the two countries in a comprehensive manner.

The conflicts between the United States and its leading West European partners are focused on farm produce. In early April, the Reagan administration announced that the United States would raise tariffs on 28 farm imports from Western Europe valued at some 10 billion U.S. dollars because the United States had suffered heavy losses in grain sales to Western Europe after Spain and Portugal joined the European Economic Community in January. Responding to the U.S. move, the EEC declared on April 9 that it would retaliate against the United States.

Washington is expected at the Tokyo economic summit to raise the problem of world markets glutted with farm produce and call on major West European countries to readjust their agricultural policies. However, as farm produce is a sensitive issue for West European countries, they may not take any joint action at the summit. They may save the issue for a new round of GATT talks in 1987, says an article in THE WALL STREET JOURNAL.

The United States and West Europe also differ on problems about Western economic growth. The United States wants Federal Germany and Japan -- the two countries which have seen a slowdown of their economic growth since last year -- to speed up the growth by reducing their interest rates and cut taxes at home, which would help the United States reduce its huge trade deficit. Federal Germany and Japan, however, are reluctant to take radical measures for fear that the move might spark inflation.

U.S. newspapers reported that all these major issues could possibly be discussed at the economic summit in Tokyo, however, it could be a mere discussion and mean nothing more.

QIAN QICHEN REMARKS ON SINO-SOVIET RELATIONS

HK040332 Hong Kong AFP in English 0309 GMT 4 May 86

[By George Biannic]

[Text] Beijing, May 4 (AFP) -- China believes that pressure exerted on Moscow by domestic public opinion could speed up a Soviet withdrawal from Afghanistan, a Chinese official has said. In an exclusive interview with AGENCE FRANCE-PRESSE Saturday, Vice-Foreign Minister Qian Qichen, who heads the Chinese delegation to Sino-Soviet talks on normalization, compared the current situation in Afghanistan with that of the United States in Vietnam. "The Americans had to abandon the burden" of Vietnam, Mr. Qian said.

Responding to a question of the possible influence that Soviet citizens could have on their government, Mr. Qian said: "I think this kind of pressure exists. Of course, the Soviet Union is a big country and Afghanistan is small, but the Soviet people are disappointed. What the Soviets are coming up against in Afghanistan is the opposition of a nation, not of a group. Military forces do not have a big role to play in the confrontation with this nation."

The Soviet military intervention in Afghanistan along with Vietnam's occupation of Cambodia and the presence of Soviet troops along the Chinese border constitute the three obstacles Beijing says stand in the way of normalizing relations with Moscow. Mr. Qian said that while all three obstacles must be removed for normalization to be achieved, areas where "blood is flowing", Afghanistan in particular, should be considered priorities by the Soviet Union.

The vice-minister stressed the common denominator of the three obstacles was the fact that third countries were directly affected by Soviet policy: Cambodia, occupied by Vietnam with the support of the Soviet Union, Afghanistan and Mongolia, where Soviet forces are stationed along its border with China. Resolution of these problems would be in the interests both of the Soviet Union and of the third countries, Mr. Qian added.

A source close to the vice minister said that this question was kept at the center of Sino-Soviet talks on normalization but that so far the Soviet Union had turned a deaf ear. "It's a headache for the Soviet Union to listen to us on the question of the three obstacles and of the third countries," the vice minister said, adding that "normalization corresponds to the interests of these third countries."

"No political progress has been recorded" thus far in Sino-Soviet discussions on normalization, Mr. Qian stressed. He indicated that no dates had yet been fixed for a proposed exchange of visits this year between the Chinese and Soviet foreign ministers, Wu Xueqian and Eduard Shevardnadze. Mr Qian dismissed the possibility that Mr. Wu would travel to Moscow during the tour of East Germany, Hungary and Romania he is scheduled to begin late this month.

The vice minister conceded that the three obstacles could not be removed all at once, but that the most pressing problems, where "blood is flowing," should be solved first.

The Chinese official said Hanoi's stated plan to withdraw from Cambodia in 1990 was a deception and that the next five years would see a Vietnamization of the Indochinese peninsula with the formation of a federation of the three countries of Indochina: Vietnam, Cambodia and Laos.

Mr Qian believes Vietnam is unlikely to overwhelm the forces of the tripartite Cambodian resistance. Western estimates put Vietnamese troop strength in Cambodia at about 150,000.

Despite the skepticism about the prospects for an imminent normalization of relations with the Soviet Union, Mr. Qian stressed the desire of both countries to develop their state-to-state relations, and notably economic cooperation. Growth of Sino-Soviet economic ties has been spectacular in the past few years. The Soviet Union now ranks as China's fifth-biggest trading partner after Japan, the United States, Hong Kong and West Germany. Bilateral trade volume last year amounted to 1.9 billion dollars and is due to reach 5 billion to 6 billion dollars in 1990. China's trade with Eastern bloc countries has been impressive growth and is expected to total 33 billion dollars in the 1986-1990 period, according to East European estimates.

Mr. Qian, considered likely to succeed Wu Xueqian as head of Chinese diplomacy, confirmed China's desire to develop exchanges with its powerful northern neighbor on the basis of "the principals of equality and mutual benefit."

The Sino-Soviet schism dates from ideological disputes which led to the recall of all Soviet advisors from China in 1960. For the first time since then, an exchange of experts between the two countries is planned for this year. At a time when China is concentrating its efforts on economic development, an increase in trade, particularly barter trade, with the Soviet Union and its allies would allow China to save the foreign currency needed to make purchases from the West.

FURTHER REPORTAGE ON CHERNOBYL ACCIDENT

PRC Nuclear Development Unaffected

HK050811 Beijing ZHONGGUO XINWEN SHE in Chinese 1134 GMT 4 May 86

[Report by Dai Yaping: "Jian Shengjie Says Soviet Nuclear Accident Will Not Affect China's Nuclear Power Development"]

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- At a press conference today, Jiang Shengjie, Director of the Nuclear Safety Administration, said: The Soviet Chernobyl nuclear power plant accident will not affect the progress of nuclear power development that China has started.

This nuclear industry expert said: China must draw experience and lessons from the Soviet nuclear accident. The most important point is that in China's nuclear power construction, we must stress the principle of putting quality and safety first.

Jiang Shengjie said: Before deciding on the building of a nuclear power plant, China made detailed investigations and studies of various reactor types. What the Chernobyl nuclear plant adopted were graphite-moderated pressurized water reactors. There were no safety shells installed for the reactors. The emergency water injection systems may also not be perfect enough. The current accident very likely arose from a steam explosion disrupting the waterpipe system and cutting off the reactor core water supply leaving no escape for the heat. The melting and burning of graphite was thus caused by the reactor fuel core. Due to the absence of protective safety shells, radioactive gases quickly escaped into the atmosphere after the accident. The occurrence of this accident shows that the Soviet nuclear safety measures are not perfect enough. So far no official report has been issued on the cause of the accident. The melting of relevant components and the burning of graphite have become known. It is estimated that the helium coolant system has also been damaged.

Jiang Shengjie still acts as Chairman of the Science and Technology Committee of the Ministry of Nuclear Industry. He was once the chief engineer at China's largest nuclear power plant in Northwest China and was in charge of the building of China's largest reactor.

Concerning the casualties in this accident, he considers the Soviet press report about two deaths and over 100 people sent to hospital for checkups relatively credible. The two deaths were very probably directly caused by the steam explosion. There was no basis for foreign press reports about 2,000 deaths being involved, because the plant had only 1,000-odd workers. Even if quite a large number of people had received unusually large doses of radiation, they were not likely to die in a short period of time.

Jiang Shengjie said: In the design of nuclear power plant reactors, China has drawn on foreign experience and has adopted the safest design program. It calls for three protective screens: The intricately enclosed [cuo bao 6934 0545] shell for reactor nuclear elements, the pressure shell, and the safety shell. There are these three protective screens for the pressurized water reactors of the Guangdong Daya Bay Nuclear Power Plant and the Taishan Nuclear Power Plant. Even given an accident like that in the Soviet Union, the safety shell installed as a protective screen will keep radioactive gases from escaping into the atmosphere. He said: Despite a major accident, the U.S. Three Mile Island Nuclear Power Plant was well equipped with safety facilities and did not cause the escape of large amounts of radioactive materials.

He said that China has adopted a series of measures to ensure the maximum safety of nuclear power plants:

1. Safety control over nuclear plants is strengthened. Safety rules and regulations governing nuclear power plants are established and perfected. The business of checking the safety of the design for a nuclear power plant is strengthened. In accordance with safety rules and regulations governing nuclear power plants, strict supervision and inspection are carried out to ensure their operation according to relevant rules.
2. In nuclear power development, there are strict quality control programs for various work processes, such as design, construction, installation, testing, start-up, and operation. A whole set of perfect systems to guarantee quality are established. Nuclear power plants of high quality with guaranteed safety are thus set up.
3. The quality of operators is raised and efforts are strengthened in training and assessing operators.
4. A close watch is kept over developments from the Soviet Chernobyl nuclear plant accident. The Nuclear Safety Administration has quickly established a special group to follow up and study the current incident.

He said that in the past year or so since the establishment of the Nuclear Safety Administration, a series of safety systems and laws and regulations have been formulated. Safety assessment programs for the Daya Bay and Taishan nuclear power plants have been worked out. With the help of international atomic power organs, quite a large number of safety control personnel have graduated from international training classes.

Nuclear Team To Visit USSR

HK050825 Hong Kong AFP in English 0801 GMT 5 May 86

[By Pierre-Antoine Donnet]

[Text] Beijing, May 5 (AFP) -- China still plans to send a team to the Soviet Union to study possible nuclear cooperation despite the recent atomic power plant accident in the Ukraine, officials said Monday. Foreign Ministry spokesman Huang Jin expressed Beijing's "concern over the serious accident" at the Chernobyl plant, but said that this would not affect plans underway for the Chinese nuclear power program.

"The departments concerned on our side are keeping a close watch on the impact the accident may have on the atmosphere and environment over China," he said.

Jiang Shengjie, security director for China's nuclear industry ministry, said China had learned from the Chernobyl accident that security and quality must be given the highest priority in the construction of nuclear plants. China carefully studied foreign nuclear plants before deciding on its own facilities, the overseas edition of the PEOPLE'S DAILY quoted him Monday as saying. The Chernobyl accident would have no bearing on the development of China's plans, Mr. Jiang told the communist party organ.

A spokesman for the nuclear industry ministry said China still planned to send a delegation to the Soviet Union to discuss possible nuclear cooperation. "The preparations for this delegation are continuing. This visit has not been canceled but the dates have not yet been set," the spokesman told AGENCE FRANCE-PRESSE. An informed East European source said before the April 26 Chernobyl accident that the Chinese team would go to the Soviet Union around mid-June and would visit several nuclear power plants.

China has no such plants in operation. But its first unit, a Chinese-designed 300-megawatt power station, is under construction at Qinshan near Shanghai and is to be finished in two years. Chinese authorities recently said they expected to add on two 600 megawatt units at Qinshan.

An 1,800-megawatt station is to be built at Daya Bay near Hong Kong by the French firms Framatome and Electricite de France and the British corporation General Electric. China repeatedly has said that all security precautions were being built into the two plants. Officials of the Qinshan project recently said that the Three Mile Island plant accident in the United States in 1979 had delayed the inauguration of China's nuclear program.

China first announced an ambitious plan to build ten 1,000-megawatt stations by the year 2000 to resolve a chronic energy shortage. But the plans were seriously curtailed last year, mainly because of their cost. Since then, China has emphasized the building of new plants without massive foreign technology. The construction of a 2,000-megawatt facility at Sunan near Shanghai was dropped from the country's 1986-1990 plan even though negotiations with Western firms were well advanced.

The offer by Soviet First Vice-Premier Ivan Arkhipov last month for China to send a delegation to discuss possible nuclear cooperation was the first such invitation since Moscow and Beijing fell out over ideological differences in 1960. Nearly all of China's nuclear experts were trained in the Soviet Union in the 1950's. China exploded its first atomic bomb in 1964.

IAEA Head Invited to Moscow

OW041556 Beijing XINHUA in English 1540 GMT 4 May 86

[Text] Vienna, May 4 (XINHUA) -- The Soviet Union has invited the Director-General of the International Atomic Energy Agency (IAEA), Hans Blix, to Moscow in connection with the Chernobyl nuclear accident, the agency announced here today.

Blix will be accompanied by two senior experts. They are Leonard Konstantinov of the Soviet Union, who is deputy director-general in charge of the Agency's department of nuclear energy and safety, and Moffis Rosen, an American who is director of the division of nuclear safety. The three are to leave for Moscow tomorrow.

The Vienna-based agency said the invitation was officially extended on Sunday. However, the announcement did not say how long the experts will stay in Moscow or whether they will visit the Chernobyl nuclear plant.

MORE REPORTAGE ON ADB MEETING IN MANILA

Chairman Supports PRC Seat

OW011536 Beijing XINHUA in English 1500 GMT 1 May 86

[Text] Manila, May 1 (XINHUA) -- The chairman of the Board of Governors of the Asian Development Bank (ADB) today reiterated his support for the proposal to accommodate China as a member of the board of directors. Ronnie del Mel, who is also the minister of finance and planning of Sri Lanka, said at a press conference this afternoon that since China is a powerful country in Asia, it is normal for the country to have a representative in the ADB's board of directors. He hoped that the admission of China into the board of directors would not imperil the interests of small member countries in the board.

He said the ADB has laid down the principle that its main objective is to promote economic development of smaller countries in Asia. That's why many member countries, including both regional and non-regional countries, are strongly supporting the admission, he pointed out. He said, "We are trying to mobilize the support of the required 75 percent of votes to support the proposal." The chairman disclosed that they have already got 60 percent votes.

Asked about the absence of representatives from Taipei, China in the 19th annual meeting of the ADB, Ronnie de Mel said "Taipei, China is still a member of the ADB. It is my hope that Taipei, China will continue to be a member of the ADB and attend the meetings in the future."

Entry Triggers Split

HK011555 Hong Kong AFP in English 1341 GMT 1 May 86

[Text] Manila, May 1 (AFP) -- A split has developed within the Asian Development Bank (ADB) over representation problems triggered by the entry of China, the bank's chairman disclosed here Thursday. Ronnie de Mel, chairman of the ADB Board of Governors, told a press conference that a proposal by the bank's developing member-countries to increase their representation on the bank's Board of Directors was facing strong opposition from certain developed countries.

Mr De Mel said that if the developing countries were denied an additional director's seat, then six small Asian countries would have to be humped off the board to make way for China, which became the ADB's newest member only two months ago. The six countries -- Vietnam, Laos, Afghanistan, Nepal, Sri Lanka and the Maldives -- form a constituency and jointly hold one seat on the board.

Mr De Mel, who is Sri Lankan finance and planning minister, said the rejection of the proposal would be "a serious blow" to the ADB and would go "against the principles of the founding fathers of the bank."

Each of the bank's 47 member-countries are equally represented on the board of governors, which is the ADB's highest policy-making body. The Board of Governors is holding its three-day annual conference here.

The board of directors, the ADB's top management organ, takes care of the day-to-day operation of the bank. Of the 12 seats on the Board of Directors, eight go to largely underdeveloped nations of the Asia-Pacific region that comprise the bulk of the ADB membership. Four seats are allotted to the richer non-regional members.

The Manila-based ADB is a multilateral financial institution established in 1966 to provide easy development loans and technical assistance to its 29 developing member-countries. The bank also includes 18 industrialized countries in North America and Western Europe.

China's entry into the bank in March caused an uproar when the ADB amended the designation within the bank of Taiwan, China's political rival, to "Taipei, China." Taiwan has boycotted the current meeting, while the Chinese have made a grand debut here, led by Chen Muhua, governor of the People's Bank of China.

George Liu, the ADB's deputy spokesman, told AGENCE FRANCE-PRESSE there seemed to be "some confusion" about China's representation on the Board of Directors. Voting on the board is done by blocs of countries according to their paid-up capital subscriptions. Only Japan and the United States, the ADB's two biggest capital contributors, hold director's seats of their very own. Mr Liu said China had subscribed to 114,000 shares of the ADB's capital stock, but said he did not know if this entitled Beijing to its own director's seat.

Mr De Mel said the United States was the chief opponent of the proposal to increase the number of directors' seats, adding that he did not know why the Americans would object to what he called a "very fair and feasible" proposal. He said he was not optimistic about the chances of the proposal being passed because the United States held "fairly large voting power." He added that the proponents needed at least 76 percent of the vote but had been able to muster only 64 percent.

The ADB governors wind up their deliberations Friday.

Position in Question

OW021208 Beijing XINHUA in English 1148 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- Masao Fujioka, president of the Asian Development Bank (ADB) said here today the People's Republic of China has the right to represent itself in the ADB board of directors. He was answering questions at a press conference immediately after the closing of the 19th annual meeting of the ADB board of governors.

He said there is wide support that China is entitled to a directorship and it is more reasonable that the solution to the China's membership is to create "one more seat to accommodate the People's Republic of China in the board of directors."

However, he said, his proposal to increase by one did not get sufficient support in the last few days. Some governors objected to the increase by one, while some suggested increase by two or three. He indicated he would try to solve the problem.

He also announced the ADB and China have made an arrangement that China will send a representative to attend meetings of the board of directors, but without the voting right.

Fujioka said he is going to China for a five-day working visit in May. The purpose of his visit is to establish good relationship between the ADB and China.

Speakers Support Admission

OW021304 Beijing XINHUA in English 1249 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- The three-day annual meeting of the Board of Governors of the Asian Development Bank (ADB) came to a successful conclusion at the Philippine Convention Center in Manila today. At today's closing session, Masao Fujioka was unanimously re-elected president of the ADB for a second term in recognition of his contributions to the fruitful operation of the bank.

The governor for Japan was elected chairman of the Board of Governors in the coming year. The Japanese city, Osaka, was chosen as the place of the 20th annual meeting for 1987.

During the past three days, 44 delegates from various member countries and regions spoke on a wide range of problems concerning the economic development of the Asian-Pacific region and the future directions of the bank. Speakers discussed the economic situation in the region and expressed their concern over the problems of the developing member countries and regions -- the fall in the price of primary commodities, continuing tight budgetary conditions and heavy debt service burdens. Some speakers were of the opinion that the recent fall in oil prices and lower worldwide interest rates should provide momentum for reviving economies.

Governors from developing countries in their speeches urged developed countries to refrain from practising protectionism and erecting trade barriers. They pointed out that the world economy is more inter-dependent and the increase of economic strength of developing countries is also conducive to the cooperation between developing and developed countries. They hoped the bank would play a role in helping the region to deal with its various problems.

The overwhelming majority of the speakers expressed satisfaction with the admission of the people's Republic of China to the ADB. They supported the right of China to the directorate of the ADB, although some governors from Europe had different views on specific ways to solve the question.

In his closing remarks, ADB president Masao Fujioka said that the ADB would make all possible efforts to help the developing member countries in achieving growth and market oriented adjustment. It would resume the expansion of its lending volume.

Chen Muhua on Loan Application

OW021044 Beijing XINHUA in English 1035 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- Chinese State Councillor and President of the People's Bank of China Chen Muhua stated here today that China needs to make further studies on whether to apply for loans from the Asian Development Bank (ADB) since the ADB resources are limited.

Answering questions at a press conference, she pointed out that as a developing country in the Asian-Pacific region, China mainly relies on its own resources to develop its economy and at the same time likes to introduce foreign capital in accordance with the policy of opening to the outside world.

Chen said ADB President Masao Fujioka will soon visit China to help it get familiarized with the lending procedures of the ADB. Besides, China will send specialists to the ADB to study the matter. It is premature at present to announce what will be the result of the studies.

Chen said, "China is willing to enter into extensive cooperation with the authorities and other members of the ADB within the framework of the bank, so as to make joint efforts to seek and promote the economic development and prosperity of the Asian-Pacific region. [no end quotation marks as received]

She said China would like to have an additional seat in the board of directors of the ADB. Before the settlement of the question, it will send a representative to the board.

Chen Muhua Interviewed

HK011245 Hong Kong LIAOWANG Overseas Edition in Chinese No 17, 28 Apr 86 p 5

[Report by Staff Reporter: "Chen Muhua on China's Entry Into the Asian Development Bank" — Interview with Chen Muhua, state councillor and president of the People's Bank of China]

[Text] In the capacity of the Chinese member of the board of the Asian Development Bank [ADB], Chen Muhua, state councillor and president of the People's Bank of China, left for the Philippines at the end of April to attend the 19th annual ADB board meeting. This is the first time that the PRC has taken part in ADB activities as the sole legitimate representative of China. For this reason, a LIAOWANG reporter interviewed Chen Muhua on the following questions.

[Reporter] Would you please talk about the position and role of the ADB in the Asia-Pacific region? Why has China joined the ADB? What is the significance of the PRC's entry into the ADB as the sole legitimate representative of China?

[Chen] The ADB is an international monetary organization formed by governments in the Asia-Pacific region, with the aim of promoting economic growth and cooperation in Asia and the Far East. Its main activities include collecting funds, providing loans and technological aid for its member countries in the Asia-Pacific region, providing preferential treatment for projects and plans which are beneficial to the coordinated economic development of the entire region, and giving special consideration to the needs of its small member countries or member countries which are comparatively underdeveloped. The ADB is composed of 47 member countries. Some are countries in the region and some are countries outside the region; some are developing countries and some are developed countries. Developed member countries must subscribe for shares and contribute funds to the ADB, but they cannot apply for loans. Developing member countries must also subscribe for shares and are allowed to apply for loans. The ADB also provides that enterprises of the member countries only are entitled to participate in tendering for ADB loan projects. The ADB will give priority to experts of its developing member countries when recruiting experts for its loan projects and technological aid. The ADB has two jobs: One is launching regional economic and financial cooperation, that is "South-South cooperation," and the other is promoting cooperation between its developing and developed member countries, that is "South-North dialogue and cooperation." Therefore, not only will the growth of its business be beneficial to the development of the economy and banking business of this region, it will also help promote "South South cooperation: and "South-North dialogue" throughout the world. As a formal member country of the ADB, we hope for the realization of all this and will play our proper part.

As an Asian country, it is a matter of course for China to join the ADB. With a population of 1 billion, China's entry into the ADB has expanded the scope of ADB representation to a region with 2.5 billion people. This has made the ADB an Asian development bank worthy of the name.

[Reporter] After joining the ADB, what role will China play in promoting economic development and financial cooperation in the Asia-Pacific region? What vocational activities will China take part in? What responsibility will it shoulder?

[Chen] Many developing countries in the Asia-Pacific region have made great economic achievements over the past 20 to 30 years since they won political independence. This region has become one of the regions in the world with a fast rate of economic development. There are many valuable experiences in the economic development of the Asia-Pacific region which China should study and refer to.

As a country in the Asia-Pacific region, China too wishes to play its proper role in developing the region's economy and finance. We will abide by the four basic principles set forth by Premier Zhao Ziyang in 1983 on economic and technological cooperation between China and other developing countries, that is, equality and mutual benefit, paying attention to actual results, variation of forms, and common progress. We will participate in the activities of the ADB and contribute what little strength we have to promoting economic and financial development in the Asia-Pacific region.

As a member country of the ADB, we will strictly observe its regulations, perform our duties, and enjoy our rights and interests. Since joining the ADB, China has in accordance with its rules subscribed to 114,000 shares, totaling 31.3 billion, of which 3150 million have been paid. Now China has handed over 317 million in foreign exchange and 71 million yuan. China is subscribing to about 7 percent of the ADB shares and is the third largest shareholder. As China has just joined the ADB, it is not familiar with its vocational activities, and it will take time for China to familiarize itself with them. Apart from participating in the 19th annual meeting, we are ready to invite ADB Director Fujioka to visit China for the purpose of exploring matters regarding strengthening bilateral cooperation. As the number of Chinese seats on the board has not been decided, China and the ADB have agreed that China will send representatives to the ADB to carry out business contacts. The ADB has formally invited China to take part in the round-table conference on trade liberalization and development to be held in HongKong in July this year, and China will send participants to that conference. In addition, China is also prepared to invite the ADB to send a team of experts to China to introduce business conditions. In short, China takes a positive attitude toward cooperation between China and the ADB. I am convinced that bilateral cooperation will be smooth and fruitful and that its prospects are excellent.

[Reporter] What impact will China's entry into the ADB produce on China's four modernizations and its policy of opening to the world?

[Chen] The policy of opening to the world is China's basic state policy. China's entry into the ADB corresponds with the policy of opening to the world. We should use the strong points of other countries to serve our economic construction, and the ADB program is to promote economic and financial development in this region. So China's entry into the ADB has opened up a new road, geared to the Asia-Pacific region, for China to launch external economic and technological cooperation, to use foreign investment, to introduce foreign technology, to undertake contract projects, and to carry out cooperation in labor services. All this is, undoubtedly, beneficial to China's policy of opening to the world and its four modernizations drive.

[Reporter] The Taiwan region will remain in the ADB under the name of "Taipei, China." In future ADB activities, how will Chinese representatives handle their relationship with the Taiwan representatives?

[Chen] Taiwan is an integral part of Chinese territory. In accordance with the agreement reached with the ADB authorities, we are willing to work together and cooperate with the representatives of the Taiwan region of China within the ADB framework. During the 19th annual ADB board meeting, I am willing to mix with the representatives of the Taiwan region, relive our compatriot relationship, and discuss matters relevant to the ADB's and the region's economic and financial development.

Hong Kong To Continue in ADB

OW021103 Beijing XINHUA in English 1043 GMT 2 May 86

[Text] Manila, May 2 (XINHUA) -- Secretary for Monetary Affairs of Hong Kong David Nendick said here today that "Hong Kong's future has been assured and so has our continuing membership in the Asian Development Bank (ADB). He made the statement at the 19th annual meeting of the Board of Governors of the ADB in Manila. The Hong Kong official said, the reestablishment of confidence following the announcement of the Sino-British Joint Declaration was consolidated by its ratification. He told the meeting that local residents and foreign investors now have the assurance that Hong Kong in the immediate years ahead and beyond 1997 can continue to enjoy the stability and prosperity created over the years.

He said that there is no doubt about Hong Kong's continued participation in the ADB after 1997. "We will continue to lay our role as a member in the bank. Through the membership, we hope to continue to contribute to the development of the Asia-Pacific region," he added.

Turning to the operation of the ADB, Nendick said Hong Kong long recognized the importance of the private sector in the economic development process. However, he expressed the concern that there was a fall in emphasis in the lending to development finance institutions. He hoped that the bank will offer as quickly as possible the various forms of assistance to the private sector without government guarantee and assistance to the developing member countries and regions in privatizing public sector enterprises.

ASEAN SUPPORTS CGDK 8-POINT PEACE PROPOSAL

OW291950 Beijing XINHUA in English 1937 GMT 29 Apr 86

[Text] Manila, April 29 (XINHUA) -- The Association of Southeast Asian Nations (ASEAN) said today that the eight-point proposal put forward recently by the Coalition Government of Democratic Kampuchea (CGDK) "is reasonable and reflects the genuine effort" to find a just and durable solution to the Kampuchea problem.

In a joint statement issued today, the ASEAN foreign ministers said that they were impressed by the comprehensive nature of the proposal, including the core points of total withdrawal of vietnamese troops, self-determination for the Kampuchean people, and concrete steps to bring about national reconciliation.

The foreign ministers reaffirmed that the Kampuchea problem has to be solved by the Kampuchean people themselves, and the eight-point proposal can serve as constructive framework for negotiation.

They urged Vietnam to seriously consider the various positive aspects of the proposal, which was unveiled in Beijing in mid-March, and join in direct or indirect talks together with the the CGDK and the Heng Samrin group. Hanoi has so far rejected the proposal.

ASEAN is comprised of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

PHILIPPINES HALT NUCLEAR POWER PLANT PROJECT

OW302001 Beijing XINHUA in English 1939 GMT 30 Apr 86

[Text] Manila, April 30 (XINHUA) -- The Philippine Government today decided to mothball the controversial nuclear power plant project in Bataan Province, some 250 kilometers west of Manila, presidential spokesman Rene Saguisag announced in a press briefing.

Saguisag said the decision was reached "after a thorough deliberation" at a two-hour cabinet meeting presided over by President Corazon Aquino in the presidential palace.

The nuclear power plant costing 2.1 billion U.S. dollars is the most expensive single project being built in the Philippines. The plant has taken more than ten years to build and now more than 95 percent of the construction work has been finished. Opposition to the operation of the plant centered on the safety factor. Many feared that it would endanger the lives of people living near the plant. Anti-nuclear activists here also claimed that the plant was overpriced and that "the country bought one for a price of two."

The spokesman said the cabinet members had taken into consideration the nuclear accident in the Ukraine Republic of the Soviet Union in deciding to mothball the project. The Soviet nuclear power plant accident reportedly caused many casualties and radioactive fallout reached some 900 kilometers.

Saguisag said the cabinet would instead "negotiate, arbitrate, or litigate" the issue with the plant's contractor, Westinghouse International Corporation, and the main financier of the project, American Export-Import Bank. While the cabinet meeting was in progress, hundreds of anti-nuclear activists posted a picket in front of the presidential palace to protest against the plant's probable operation.

PENG CHONG-LED NPC GROUP BEGINS AUSTRALIA VISIT

OW300756 Beijing XINHUA in English 0729 GMT 30 Apr 86

[Text] Sydney, April 29 (XINHUA) -- A Chinese National People's Congress (NPC) delegation led by Peng Chong today began a twelve-day visit to Australia at the invitation of Australia's Commonwealth Parliament. Bainqen Erdini Qoigyai Gyaincain, vice-chairman of the NPC Standing Committee, is the deputy leader of the Chinese delegation. Sydney, the first leg of the Chinese delegation's visit to Australia, is the capital of the Australian southeastern state of New South Wales, the largest industrial and financial center in the country.

This evening, Neville Wran, premier of New South Wales gave a grand reception at the Government Building in honor of the visiting Chinese. In his speech, Wran expressed his warm welcome to the Chinese delegation. He said that the relationship between Australia and China has been greatly strengthened after the exchange of visits by Chinese party leader Hu Yaobang and Premier Zhao Ziyang, and Australian Prime Minister Bob Hawke.

Peng said in his toast that since the establishment of diplomatic relations between China and Australia, the two countries have enjoyed good relations. He said China's Guangdong Province and Australia's New South Wales state, which established sister relations in 1980, had taken the lead in exchange of visits and cooperation in economic, trade, cultural educational, scientific and technological fields.

New South Wales minister for natural resources John Aquilina and Chinese Ambassador to Australia Li Xiling and more than 100 guests were present at the banquet. Afterwards, the delegation watched a performance given by the Australian Ballet at the Sydney Opera House. Early this afternoon, the Chinese delegation toured the Sydney harbour on board the ship "Captain Philip" provided by the new maritime services board.

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C H I N A
PRC NATIONAL AFFAIRS

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HU QILI LIAOWANG INTERVIEW ON CPC, OPEN POLICY

CPC To Retain Old Cadres

HK020913 Beijing XINHUA Hong Kong Service in Chinese 0625 GMT 2 May 86

[Report: "Hu Qili on the 13th National Congress of the CPC" -- XINHUA]

[Text] Hong Kong, 2 May (XINHUA) -- The latest issue of the Chinese Weekly LIAOWANG OVERSEAS EDITION to be published soon quotes Hu Qili, member of the Political Bureau and Secretariat of the CPC Central Committee, as saying that the 13th CPC National Congress will reelect the central leading organ of the CPC, thus taking a new step toward enhancement of cooperation between veteran and new cadres and replacement of the former by the latter. A group of old revolutionaries who have rich experience and enjoy high prestige will remain at the helm.

Hu Qili said: Founded on the principle of democratic centralism, the CPC practices a high degree of centralism on the basis of a high degree of democracy. Decisions on major issues within the party have always been made by party congresses. As scheduled by the party Constitution, the 13th CPC National Congress is to be held next year. In the meantime, the party's central leading organ will also be reelected in accordance with the party Constitution. The exact time for the 13th CPC National Congress will be fixed through discussion during the 6th Plenary Session of the 12th CPC Central Committee to be held in the latter half of this year.

In order to cope with the arduous tasks of modernization, our party has made great efforts in the past few years to reorganize its ranks of cadres so that leading cadres at all levels will be more revolutionary, younger in average age, better educated, and more professionally competent. This is a major and fruitful project that our party has engaged in with regard to political reform. In the past few years our party's central leading organization underwent two massive readjustments, the one taking place at the 12th CPC Congress and the other at last year's National Conference of Party Delegates. Both readjustments were carried out smoothly. A number of old comrades voluntarily stepped down from the central leading organization and thus made valuable contributions to the abrogation of the life tenure of leading posts which was then a reality, as well as to the rejuvenation of the central leading organization. Meanwhile, a number of young cadres have taken up new leading posts and plunged into work full of vigor. Now our new and old cadres respect each other, work in close cooperation, and unite with each other. This is an important indication of our party's prosperity. In order to ensure that our central leading organization will better meet the needs of the four modernizations, and to guarantee the continuity and stability of our party's line, principles, and policies, the 13th CPC National Congress will take a new step toward enhancement of cooperation between veteran and new cadres replacement of the former by the latter. But at the same time, it must be pointed out that ours is a big party with 40 million members and China is a big country with a population of 1 billion. The ruling of such a big party and big country needs a group of long-tested old revolutionaries to take the helm, who have rich experience and enjoy high prestige both at home and abroad. Therefore, while promoting a large number of young and middle-aged cadres, we will stick to the principle that a number of old revolutionaries will remain in their leading positions.

Open Policy Reaffirmed

HK050156 Beijing ZHONGGUO XINWEN SHE in Chinese 1013 GMT 4 May 86

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- Hu Qili, member of the Political Bureau and of the Secretariat of the CPC Central Committee, said that some decadent phenomena in China's current society are related to, but are not the inevitable result of, the policy of opening up to the outside world and invigorating the domestic economy.

We will not refrain from doing something necessary for fear of a slight risk. Continuously opening up to the outside world is our unshakable, basic national policy. Hu made this remark when interviewed by a Beijing correspondent of the Australian Broadcasting Corporation on 10 April. The contents of his talk will be carried in the LIAOWANG issue to be published on 5 May.

Hu Qili said: By and large, the policy of opening up to the outside world and invigorating the domestic economy has played a positive role in the ideas and ethics of the masses of the people. This is also the principal aspect. Naturally, in the process of opening up some negative phenomena have also emerged. This is the secondary aspect. Early last year, some ideologically unsound tabloids and pornographic video tapes appeared in some localities. After carrying out investigation and dealing with them, we have basically curbed this unhealthy tendency. Prostitution is illegal in China. There were also some isolated cases. This malpractice has profound social and historical roots. It is related to, but is not the inevitable result of, the new objective conditions following the opening up and the invigoration of the domestic economy. Although there are quite a few problems in our current society, our public order and the general standards of our social conduct are still much better than those in many other countries in the world.

Hu Qili said: When engaging in a modernization program, a country cannot but derive nourishment from the material and spiritual wealth jointly created by mankind. Blind opposition to everything foreign can only lead modernization to empty talk. The change from closing our country to international intercourse to opening it to the outside world is an historic progress. In opening up to the outside world, we not only can absorb foreign capital and learn advanced scientific, cultural, and technological knowledge and managerial skills from foreign countries, but also instill new vitality to our national spirit and effect profound changes in people's spiritual life. Naturally, just as flies will enter our house when we open the doors, some decadent ideas and life styles of capitalist society will also take advantage of this opportunity to enter our country. Moreover, the pernicious influence of the remnant feudal ideas left over from old China cannot be thoroughly eliminated in a short time. As soon as there is a suitable climate, these dregs of society will come to the surface. For this reason, it is entirely unnecessary to be alarmed if some decadent phenomena increase to some extent. So long as we satisfactorily carry out the building of spiritual civilization, step up education, and improve the legal system, we will certainly be able to minimize the negative influences.

Fighting of Crime To Continue

HK050158 Beijing ZHONGGUO XINWEN SHE in Chinese 1053 GMT 4 May 86

[Text] Beijing, 4 May (ZHONGGUO XINWEN SHE) -- Hu Qili, member of the Political Bureau of the CPC Central Committee and secretary of the CPC Central Secretariat, said: Efforts will continue to be made to investigate and punish people who violate party discipline and state law; and the principle is that each case will be handled realistically and in light of the law without exaggerating the problems or involving the innocent, but no evildoer will be let off.

He said this when being interviewed by a foreign reporter.

According to the report on this interview by LIAOWANG No 18, Hu Qili told the reporter that the general public is glad to see the party act to deal with major cases and to straighten out the party style, and these actions have won the growing confidence of the public. The legal system has been consolidated. However, the public still wants to see the development of things and hopes that the CPC will persevere in eliminating the evil things inside the party and in society. However, the people do not want to see any political movement, because a movement, like a storm which may damage many houses, may create new unjust charges and verdicts which will have to be reversed some time later. This time, our practice will be different.

We will adhere to democracy and the legal system, and we have made up our mind to seriously and persistently deal with the lawbreaking cases. On the one hand, we will strengthen education, on the other hand, we will rely on legal means. We will enact more laws and regulations so as to base our socialist democracy on a sounder legal foundation.

Hu Qili reiterated: We always hold that all people are equal before the law. If a person violates party discipline or state law, no matter who he is nor how high a position he holds, he must be punished in light of party discipline and state law. No special party member will enjoy the prerogative of being above punishment when he violates party discipline or state law.

This senior CPC official said: Only a small number of people among party members and cadres are involved in various irregularities and malpractices, and only a very small number of them have become criminal offenders. Between 1981 and 1985, the number of party members who were punished according to party discipline for various reasons accounted for merely 0.2 to 0.3 percent of the total number of party members. Those being sentenced by courts for committing various crimes accounted for an even smaller percentage.

'FAR-REACHING IMPACT' OF HU QILI SPEECH CITED

HK040312 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1115 GMT 3 May 86

[Article by Zou Zongbin: "The Hu Qili Speech of Far-Reaching Impact"]

[Text] [no place-name as received] 3 May (ZHONGGUO TONGXUN SHE) -- The speech made by Hu Qili, a top CPC leader, on the eve of the 1 May Labor Day has evoked strong repercussions at home and abroad. It would have been inconceivable in the past for a member of the CPC Central Committee Political Bureau and Secretariat to call for plucking up the courage to break through certain conclusions of Marx, the great revolutionary master of the proletariat, that practice has shown to be outdated and incorrect. Hu Qili made the speech at a rally of the world proletariat, including trade union delegations sent by various countries. It goes without saying that his speech will be of profound significance and of far-reaching impact.

Marxism is the theoretical foundation of the CPC'S thought. While carrying out the arduous task of building socialism with Chinese characteristics, the CPC is bound to seek theories from Marx' philosophical thought to solve questions arising from practice and to take up the challenge of contemporary natural and social sciences. Hu Qili's speech indicates that, in the course of China's modernization program, certain of Marx' conclusions deviate from and even conflict with China's current social reality. If these problems are not solved, they will adversely affect the reform of the CPC.

The expositions of Marx, a man of over a century ago who never experienced the economic life of socialism, on the economic laws of the socialist period could only be tentative. According to Marx, commodities and currency would be unnecessary and emphasis should be put on public ownership during the period of socialism. During the 1930's, the Soviet Union looked upon such Marxist theory as a magic weapon, while the CPC also followed the same track up to the present. Over the past decades, for someone to dare to suspect these "classics" would spell disaster, to say nothing of making a breakthrough.

In fact, practice has proved that not all of Marx' conclusions are true. For example, his theory of urban uprisings was applicable to certain countries but not to China.

Could China's revolution have been a success if Mao Zedong had also looked upon this conclusion of Marx' as a "universal" truth?

A Beijing University professor recently pointed out that the reform of the ownership system will determine the success or failure of China's economic reform. This new viewpoint, which is completely different from that of the CPC, has attracted the attention of the departments concerned. Although the CPC may not necessarily accept the viewpoint, it shows that more and more people have plucked up their courage to break through outdated conventions and to probe Marxist ideology in "contemporary China" in an attempt to integrate Marxism with the practice of China's modernization program. It is quite definite that this valuable spirit of exploration will encounter obstructions in the course of seeking truth. Nevertheless, the great significance of Hu Qili's speech and the support he afforded to the reformers should not be underestimated.

HONGQI ARTICLE VIEWS ACCEPTANCE OF MARXISM

Academic Research Urged

HK021259 Beijing ZHONGGUO XINWEN SHE in Chinese 0642 GMT 1 May 86

[Text] Beijing, 1 May (ZHONGGUO XINWEN SHE) -- In an article in this year's issue No 9 of HONGQI published today, Hu Sheng, President of the Chinese Academy of Social Sciences said there are no forbidden zones in academic research.

Hu Sheng said that anything that helps social and scientific development, and anything that is needed in the light of reality, should be made a subject of research. An academic worker can do independent research and bring out his own research results. Generally speaking, a scholar's individual research results do not represent the view of the party and the government. The responsibility rests with the researcher both academically and theoretically. Any research results of value should be allowed to be made public so long as they are not against the leadership of the party and against the socialist road.

He said that since our research workers are called upon to show courage in solving actual problems, then we must allow them to err and make detours in the process of exploration. Where there are mistakes, we must use the method of academic discussion and guidance to seek a solution. Of course, be it a mistake or not, we must have discussions and go through the test of practice. No one can prejudge. Regarding any viewpoint, we should allow criticisms and also counter-criticisms. We advocate obeying the truth in the interests of the people. This is a solemn scientific attitude. A person should not stick purely to his own views and have a narrow outlook on things. This is undesirable and contemptible. Everyone should discuss things on an equal footing. Where there is a real mistake or something is wrong, we should start all over again. So we set the rule as a prerequisite: A mistake is allowed; we cannot "deal a fatal blow at one stroke" where there is any mistake.

Hu Sheng suggested that we should not freely elevate academic mistakes to the plane of political mistakes. Some problems in social sciences are likely to touch on political ones. Even problems of this kind cannot simply be treated as political ones in our approach.

On how to use Marxism as a guide to academic research, Hu Sheng said that all the work of our country proceeds under the guidance of Marxism. Our research work in social sciences should also proceed under the guidance of Marxism. This is the most fundamental guideline for our research work.

He thinks that as far as the social sciences front is concerned, a problem likely to be of particular importance is the one of putting Marxism in simple and vulgar terms. We must now overcome such a trend. Of course, we can only use Marxism as a weapon in overcoming it.

Hu Sheng considers that academic research not involving the conscious application of Marxism should also be allowed. After citing an article in the Constitution which says: "Citizens have the freedom to carry out scientific research, literature and art creation and other cultural activities," he said: Any scientific research work that helps in promoting the creativity of the people should be encouraged and given support. It is not a case of just supporting scientific research work that involves the conscious application of Marxism as a guide. The same applies to research in the social sciences. It should be admitted that some scholars are not consciously applying Marxism as a guide in academic research. But their research contributes toward enlivening socialist academic studies and is beneficial to the people.

Marxism 'Cannot Be Forced'

OW031534 Beijing XINHUA in English 1507 GMT 3 May 86

["People Cannot be Force-Fed Marxism"] -- XINHUA headline]

[Text] Beijing, May 3 (XINHUA) -- A leading theoretician has described Marxims as a science alive with the current changes, in which people have confidence for nothing but its scientific truth.

In an article in the latest issue of RED FLAG journal, Hu Sheng, president of the Chinese Academy of Social Sciences, said that Marxism is not stagnant and sealed. Instead, he said, "it is developing to suit the current situation in China and abroad." People cannot be forced to believe in Marxism, he said, adding that in China, it has enjoyed massive trust and support as a result of its scientific truth and combination with China's actual practise. It won't do to use political power and administration to compel people to accept an idea, Hu Sheng added.

Hu, who is concurrently director of the party history research center under the party Central Committee, proposed that the current political courses in colleges be improved. At present, many students take such courses for the sake of examinations. And because of this, he said, they just try to find and recite the "standard" answers to the paper.

He also advised Chinese scholars of Marxism to discuss with the exponents of other schools of political sciences in the world.

"Marxists will make progress by having discussions with people who have different opinions to absorb useful ideas and research methods," he said.

ZHAO ZIYANG, OTHERS AT CONDUCT REPORT MEETING

OW301000 Beijing XINHUA Domestic Service in Chinese 1442 GMT 29 Apr 86

[Text] Beijing, 29 Apr (XINHUA) -- At a meeting sponsored by the Central State Organs Party Committee this afternoon, secretaries of party committees and discipline inspection commissions of all departments under state organs discussed the implementation of the Central Committee's instruction that central organs must set an example in improving party conduct. They also examined the situation of and set forth future requirements for improving party conduct.

Before the meeting, Comrades Zhao Ziyang, Wan Li, and Tian Jiyun heard a Central State Organs Party Committee report on its recent work to improve party conduct, and made important speeches. Endorsing the successes of central state organs in improving the conduct of their party members, they emphatically pointed out that the mainstream among the vast number of state organ functionaries is good; most of them are actively involved in reforms and are working hard to serve the people. They said, however, that we must also realize that certain serious problems have indeed occurred among some party members and cadres. After the party and the people give them some power, some state functionaries, instead of serving the people wholeheartedly, have resorted to all means possible to seek personal gain, taking advantage of their authority as well as the opportunity of reforms and the policy of opening up to the outside world and enlivening the economy. This is intolerable to party discipline and state law. We must be determined to take firm actions to deal with this problems so as to ensure normal progress of reform and the implementation of the policy of opening to the outside world and enlivening the economy, and to develop and consolidate the gratifying situation. Meanwhile, we must realize the complexity of the issue, lest we handle it simplistically. While handling the issue, we must be firm and cautious. We must determine the nature of various matters in accordance with the party's principles and policies and state law, and firmly improve state organs' workstyle and efficiency. This is an objective we must strive to attain.

Addressing the meeting today, Comrade Tian Jiyun stressed: Improvement of party conduct and reforms should proceed hand in hand with our work because they can enhance each other. Leading authorities at all levels must clearly realize our long-range strategic principle, namely, material construction and spiritual construction must proceed at the same time in our socialist society. While economic work is at the center, ideological and political work can guarantee its success. Should we slacken or weaken ideological and political work, our economic work will go astray, and our reforms and work for opening to the outside world and enlivening our economy cannot possibly succeed.

He pointed out: The current main issue lies in the fact that certain departments have yet to consider improving party conduct and strengthening ideological and political work as part of their leadership. Leaders of leading party groups must genuinely understand the importance of improving party conduct. They must place the work of improving party conduct on their agenda and make sure it is attended to. While planning their work, they should also include in their plan the work of improving party conduct; and while checking their work, they should also check the work of improving party conduct. The two jobs must be done and accomplished at the same time. We must also examine our experiences in improving party conduct, carrying out reforms and performing our routine work at the same time. We must dare to commend good experiences and criticize bad ones.

Tian Jiyun said: Major cases must be investigated according to the principle that they must be handled firmly, cautiously, accurately, and efficiently. While investigating and handling cases of law-breaking and serious misconduct among party members, some departments are daunted by difficulties or become softhearted. There are many reasons for this; but it is primarily because some comrades think a lot more about their own safety than the interests of the party and the state. All departments must select honest and impartial cadres who have a strong sense of principle and policy to take part in handling cases, and they must dare to deal with tough issues persistently until they are resolved. While handling major cases, we must seek truth from facts and work according to policies.

We should not compete with each other for high figures, quick progress, or fanfare. While we should not absolve everyone, we should not implicate the innocent. Each case must be accurately, properly and thoroughly handled on the basis of proven facts so that they can stand the test of history.

Tian Jiyun said: Party operation must be strengthened. Party organizations must exercise their supervisory role, and members must exercise their vanguard exemplary role by taking care of party affairs. Party organizations at all levels must attend to these three things: education, supervision, and discipline. They must educate party members to foster the attitude of serving the people wholeheartedly and the spirit of this age, namely aiming high and bringing forth new ideas. They must strengthen their organization, lead a normal organizational life, give full scope to democracy, make criticism and self-criticism, make inner party life more ideological and political, and have a stronger sense of principle. Party members and leading party member-cadres at all levels should supervise each other's conduct.

Tian Jiyun pointed out that greater efforts should be exerted during the next 2 years to achieve a breakthrough in changing state organs' workstyle through combating bureaucratic attitude and improving operating efficiency. He added that, in order to combat bureaucratic attitude, a lot of work has to be accomplished in solving institutional problems and in intensifying ideological education.

He said: We must effectively intensify the building of a contingent of political workers, reinforcing it with cadres who have a strong party spirit, and who are law abiding, honest in performing their duties, educated, proficient, in the prime of their lives, practical, exploratory, enterprising, and dedicated.

During the meeting, Zhang Jingyuan, deputy secretary of the Central State Organs Party Committee, made a report on state organs' recent efforts to improve their party conduct. He also stated his opinions regarding future tasks. He said: Following the conference of central organ cadres, the vast number of party member-cadres of all departments under state organs have been earnestly studying and discussing the important speeches by Hu Yaobang and other central leaders as well as other relevant documents of the Central Committee concerning the need to improve party conduct. During discussions of democratic practices, leading party groups of all departments have examined their performances against stated requirements, made corrections in the course of examination, and drawn up measures for improving their conduct. They have also seriously handled a number of cases of lawlessness and indiscipline. In general, the progress has been smooth and initial success has been achieved. However, the development of the work of improving party conduct has been uneven, and a lot of hard work has to be done in the next 2 years in order to achieve a fundamental change for the better in state organs' party conduct -- a goal set forth by the Central Committee. In accordance with the Central Committee's requirements for improving party conduct, all departments under central state organs must attach great importance to the issue, intensify their leadership, firmly adhere to the principle that material and spiritual construction must be organically combined and carried out simultaneously.

To ensure successful results, they should make rational and overall arrangements, and create a good social environment that can facilitate reforms as well as the implementation of the policy of opening to the outside world and enlivening the economy. We should use both positive and negative examples to educate state organ functionaries to heighten their sense of lofty ideals, discipline, and law, so that they will perform their public services honestly, foster the moral characters of upholding principles, strictly abiding by discipline, being devoted to their duties, and consciously resisting all types of unhealthy practices, and so that they will introduce into state organs a new order of the 1980's.

During the meeting, the Ministry of Coal Industry, the Ministry of Electronics Industry, the Ministry of Water Conservancy and Electric Power, and the Ministry of Posts and Telecommunications reported their situation in improving party conduct.

Leading comrades of leading party groups of various departments under state organs were present at the meeting, which was chaired by Cao Junsheng, secretary general of the State Council and concurrently secretary of the Central State Organs Party Committee.

BEIJING COMMENTATOR STRESSES EXPERT LEADERSHIP

OW290150 Beijing Domestic Service in Mandarin 2300 GMT 28 Apr 86

[Station commentator's article: "To Exercise Expert Leadership Is the Purpose Requiring Leading Bodies To Be Professionally Competent"]

[Text] Professional competence is an important component of the four requirements for cadres in the new period. As Comrade Hu Yaobang pointed out, in our socialist modernization drive today, party cadres at all levels should not only equip themselves with a certain level of basic scientific and general knowledge but also be familiar with the professional knowledge needed for their work and the specific situation in their professional field and its special rules.

In readjusting the leading bodies over the last few years, all localities and departments have, generally speaking, striven to comply with this requirement. A large number of capable people with professional knowledge and qualifications have used their talent at leading posts at various levels. However, in some localities and departments, no distinction is drawn between general and professional knowledge, as attention is paid only to leading cadres' general and basic knowledge while neglecting the professional knowledge necessary for them to exercise expert leadership. Besides, a number of specialized personnel are not apt at organizational and leadership work. As a result, although the members of some leading bodies are better educated after the readjustment, the structure of their professional knowledge is somewhat irrational, and their organizational and leadership capability weak.

It should be clearly pointed out that professional knowledge is related to education. Any kind of professional knowledge is based on a certain level of general knowledge. However, better education does not ensure people with professional competence. People with a certain level of general and basic knowledge are not necessarily well versed in a specialized field. Proceeding from the strategic objective to improve and strengthen the party's leadership over the socialist modernization drive in readjusting party and government leading bodies, all localities should step up the comprehensive evaluation of cadres. It is necessary to examine whether every leading member has sufficient professional knowledge and competence for the work of which he is in charge and to ensure that the leading body is rationally formed by experts with decision-making, organizational and coordinating capabilities.

Leading bodies with an unsatisfactory structure of members with professional knowledge should examine the situation and carryout further readjustment. Leading members with speciziized knowledge, a reasonable share of the work, and leadership and management ability should be given the powers and jobs to bring into full play their talent. Those who are still temporarily not adjusted to leading posts but definitely have leadership potential should be given a better opportunity to undergo training for improvement. As for those whose practical experience in leading posts proves them incompetent, they should be promptly removed to posts suitable for them.

TIAN JIYUN ADDRESSES CHEMICAL CONFERENCE

OW270001 Beijing XINHUA Domestic Service in Chinese 1147 GMT 26 Apr 86

[By RENMIN RIRAO reporter Li Wen and XINHUA reporter Ding Genxi]

[Text] Beijing, 26 Apr (XINHUA) -- Addressing a national work conference on the chemical industry yesterday, State Council Vice Premier Tian Jiyun urged all chemical industrial departments and enterprises in the country to deepen the economic structural reform and do a good job in production in order to further promote the sustained, stable, and balanced growth of the national economy.

Tian Jiyun said: The chemical industry is an important raw and semi-finished materials industry that covers a wide range of trades and professions, turns out a large variety of products, serves extensive areas, and maintains close coordination with other industries. It is vital to the development of the whole national economy. In particular, scientific and technological progress and the emergence of new industries have placed new demands on the chemical industry, and chemical industrial departments are confronted with the new task of producing more new chemical industrial raw and semi-finished materials. The industry has broad prospects for development. Despite remarkable achievements scored during the Sixth 5-Year Plan, China's chemical industry still cannot cope with the needs of the national economic development and the people's livelihood.

Tian Jiyun pointed out: In order to accelerate the development of China's chemical industry to satisfy the needs of the national economy and the people's livelihood, the party Central Committee and the State Council have decided to place the production of raw and semi-finished materials, including the chemical industry, in the same important position as energy and transport construction. Currently it is necessary to pay close attention to the work in the following fields:

First, it is necessary to persistently give to priority to reform. In carrying out the economic structural reform this year, it is necessary to vigorously develop and achieve a breakthrough in promoting lateral economic cooperation while taking small steps in other areas. The chemical industry is an industry most suitable for comprehensive utilization of resources, and it has advantages for developing lateral economic cooperation.

There is a great deal of merit in lateral economic cooperation, which should be encouraged by all men. It can help the chemical industry and other related industries explore and open up more sources of raw materials and develop their processing and utilization, and it can also help individual industries promote comprehensive utilization of resources and turn "waste" into "treasure," thereby reducing the pollution and improving social benefit. Administrative departments concerned should support and facilitate the development of lateral economic cooperation and refrain from unnecessary interference. Moreover, it is necessary to perfect and reinforce the economy responsibility system in enterprises in order to further harness the enthusiasm of staff and workers. It is necessary to properly combine the distribution relationship with the economic responsibility system within enterprises.

Second, it is necessary to strive to increase the production of chemical fertilizers, farm chemicals, and other products for supporting agricultural production. Due to various reasons, small chemical fertilizer plants have been facing a serious situation in unsalable products since last year. Holding that small chemical fertilizer plants had already fulfilled their historical mission, some local governments have drastically cut coal and electricity consumption quotas for small chemical fertilizer plants and ordered them to manufacture other products to yield profits. It is our opinion that although small chemical fertilizer plants had made their share of contributions to history, they should continue to play their role and be given the opportunity for technological transformation and innovation. It is necessary to unify our thinking as far as this question is concerned. We should not waver in our basic orientation of supporting agricultural production because of temporary stagnation in the markets of small chemical fertilizer plants. It should be pointed out that agriculture is the foundation of the national economy, while grain is the basis of this foundation. It should be very difficult to accomplish the modernization program if we fail to lay solid foundations of agriculture and grain production and solve the problem of feeding and clothing China's 1 billion people. It is a strategic principle of China's modernization drive to ensure an allround stable development of agriculture and a steady growth of grain production. In order to produce more, it is necessary to invest more in agriculture. Investment in agriculture, including chemical fertilizers and farm chemicals, should be increased. The government has already taken, and will continue to take, necessary measures to encourage the production of goods for agriculture. At the same time, chemical industrial enterprises that manufacture goods for agriculture are urged to strengthen leadership and mobilize the masses of staff and workers in further raising the technical standard, conserving energy, lowering consumption and costs, and building up the ability to assimilate imported technology so as to more effectively support agriculture. The State Council has decided to lower the prices of products manufactured by small chemical fertilizer plants. This is an important measure for supporting agriculture as well as revitalizing the production of small chemical fertilizer plants. It should be implemented as quickly as possible.

Third, it is necessary to thoroughly digest and assimilate imported technology and improve the quality of Chinese-made products. Chemical industrial departments have done a good job and accumulated some experience in assimilating imported technology. However, judging from the country as a whole, there have been redundant and anarchic imports of technology, and some of them are not properly assimilated. From now on, the government will rationally readjust the structure of imported goods and persist in giving priority to importing software, advanced technology, and key equipment. Special efforts will be made to digest and assimilate imported technology for building up our own capabilities.

Fourth, it is necessary to pay close attention to the production of chemical industry and maintain a suitable growth rate. The government has attached a greater importance to and made proper arrangements for the chemical industry in the Seventh 5-Year Plan. The government will continue to give necessary support within our capabilities and to arrange investment and work out economic measures to ensure the chemical industry develops harmoniously with other sectors of the national economy. The chemical industry should tap the potentials of existing enterprises and unfold activity to increase production and practice economy so as to ensure an appropriate growth rate of the industry and improve its economy efficiency.

JINGJI RIBAO URGES SUPPORT FOR REFORMERS

HK011524 Beijing JINGJI RIBAO in Chinese 24 Apr 86 p 1

[Commentator's Article: "Please Pay Attention to the Destiny of the Reformers"]

[Text] In the mighty torrent of reforming the economic structure of our country over the past few years, a number of pathbreakers have merged on all fronts and in different trades. Their creative thinking, courage in blazing new trials, and enterprising spirit have captured admirable attention in our society. The smooth progress of our reform should be attributed to their leading role, and they have rendered great service in the marked success we have achieved in the four modernizations.

However, the destiny of some reformers in some areas and departments has recently met with an adverse wind. Some have found themselves in a tight corner because of condemnation, criticism, rumors, and slanders, and some have been dismissed or transferred to other posts without explanation. People describe it by saying that "they have been hit by arrows and have fallen from horses." Such a situation appeared only in some areas, but it has greatly chilled the enthusiasm of the majority of the reformers and hampered the smooth progress of reform. We must pay close attention to the situation.

As developments in some areas show, the "falling from horses," of these reformers is due fundamentally to the following reasons.

Some reformers were censured because they could no longer make any new breakthroughs in work after they achieved some marked results in reform. This is because they are not well prepared ideologically and theoretically and they do not have novel working methods.

Some reformers, who dare to think and act, have achieved success in work, but they have now been thrown into passivity because they "went too far" in eliminating the bad and playing up the good of the reform measures already adopted and even committed some mistakes in work because they do not have deep and correct understanding of the present policies.

Another situation has nothing to do with errors. Some defects and shortcomings in work have been recklessly exaggerated and even slandered only because some reform measures offended the vested interests of some people and entrenched upon timeworn ideas and old customs, or because their marvelous work was hated by some people out of jealousy just as "a tall tree catches the wind." Such a situation also commits serious harm to the reformers.

Moreover, in another situation, some units adopted some effective rules and regulations. However, when things changed a little, some people immediately doubted these new rules and regulations and claimed to replace them with the previous ones in an attempt to negate the new rules and regulations. Meanwhile, some people who earlier supported the new rules and regulations also assumed an ambiguous attitude, surrendering from their previous position and even making a 180-degree turn. As a result, some "pathbreakers" in reform have been caught in an embarrassing situation.

Of course, there is also a small number of ill-behaved people who "pass off fish eyes as pearls" and act wildly in defiance of law in the name of reform. This has not come as a surprise. Now that reform is a profound revolution, it is inevitable that good and bad people are mixed up. Therefore, it is absolutely normal and necessary to examine and weed out a few fake reformers. However, we must distinguish this situation from the embarrassing situation into which some reformer are plunged, and must not lump them together.

As we know, the reform is another revolution in our country. Perservance in the reform has a great bearing on the future of our country and will bring about great hopes for the country. At the same time, our reform is anarduous and complex undertaking as never done by our predecessors. Therefore, we must take certain risks. To ensure the progress of our reform, reformers not only stimulate it with their utmost courage and tenacity, but also need the understanding and concern of the whole society. Especially when they are confronted with difficulties and setbacks, they need support, particularly from leaders at various levels. Whether leaders can assess the merits and shortcomings of reformers by applying the principle of "one divides into two," and whether they can distinguish principal from secondary aspects in work and give necessary support to reformers is a practical problem that we must now resolve. This affects not only policies of our party but also the entire situation of carrying out reform to the end.

It is necessary to take a correct attitude toward the achievements and shortcomings in the work of reformers. This is because they do not have a ready-made pattern to follow, they have to learn while working, and have to explore new possibilities before new progress is achieved. Meanwhile, our present reform involves complicated readjustment of relations in many aspects and the situation varies from place to place. Therefore, errors committed by reformers are perfect and sure of success. When they commit some mistakes in work, leaders should not be panic-stricken and refuse to support them as if they give up eating for fear of choking. In taking a correct attitude toward the reformers, we must consider the main aspects of their work and their political integrity, encourage them to explore new possibilities in work, and forsake their permissible errors. In concrete practice, we must boldly affirm their achievements in reform and seriously point out their problems and weak points. Meanwhile, we must adequately value their zeal and enterprising spirit for reform and protect their enthusiasm for reform. When reformers suffer reverses, we must help them draw lessons with patience, give them continuous guidance, and encourage them to rise and advance bravely. No gold is pure, and no man is perfect. Therefore, we should not make excessive demands on the reformers. When the reform went smoothly, some people "added flowers on the brocade," but when it met with setbacks, they refused to "offer timely assistance." Such an attitude and practice are not encouraging.

When reformers are castigated not because of their mistakes in work, leaders should come out boldly to prevail over all dissenting views and uphold justice and should not be controlled by irresponsible hearsay. "Zeng Cen [0582 0639] is not a real murderer, but frequent willful calumny frightens his loving mother." In carrying out reform, our leaders at various levels should be on the alert against such rumors. They must be aware of dirty tricks such as the cheap trick "an anonymous letter costs only an 8-cent stamp but leaders should investigate the case for years."

What is particularly important is that leaders, out of their sense of responsibility for the party's cause and the reformers, should come out and interfere in wrongs suffered by those who were unjustly dismissed from their posts, clarify some facts, redress trumped-up cases, and help the dismissed reformers to be reinstated. For example, the Taiyuan City CPC Committee overcame numerous difficulties and redressed the case of Yang Minqian, director of the city's solvent factory. Whether leaders can do accordingly is a test of their party spirit.

It is not very easy to make correct appraisal of the reformers and take a correct attitude toward them. Leaders should share a common fate with the reformers, go deep into the realities of reform, and throb with the pulse of reform. At the same time, they should make efforts to change their ideological method of thinking and style of work and stand in the forefront of reform. In summing up and publicizing the achievements and experiences made by reformers, we should be realistic and should neither overestimate nor underestimate them. Only by so doing will they be able to guide the progress of our reform. All great social change usually creates a number of outstanding people. It is predicted that the furnace of reform will temper a large number of people who have the least conservative ideas but the most enterprising spirit and are good at management. Leaders at various levels should dare to assume responsibility without fear or favor, pay great attention to the destiny of the reformers, create a most favorable social environment for their growth, and help them to give full play to their talent so that the reform will be able to develop in depth.

RENMIN RIBAO URGES SHOWING CONCERN FOR PEOPLE

HK021221 Beijing RENMIN RIBAO in Chinese 29 Apr 86 p 1

[Commentator's Article: "Occupying a High Position, One Should Be Concerned with the Interests of the People"]

[Text] "When you are in trouble, to whom will you pour out your heart? Who will you ask for help in solving problems in your daily life?" A college student carried out a sample survey among the students regarding their answers to the above questions and found such answers to be quite different. Some said they would go to their parents for help. Others said they would go to their friends and teachers. Some also said they would ask for help from party and CYL organizations but these students did not account for a high percentage. This survey may not be very typical and it may not be scientific either. People's troubles and worries in their daily life vary greatly and their methods to dispel their depression and melancholy are not the same. Those who are willing to tell their parents about their feelings of pain or embarrassment may not be willing to tell their teachers about them. Some people may not be willing to tell party and CYL organizations about thoughts which they will disclose to their friends. All this is quite understandable. Nevertheless, this survey has put the following questions to party and CYL organizations at all levels: Do you show enough concern for others? Do you know what others are thinking about? Do you know what their troubles are? Do you know what their demands are?

Since our party and CYL organizations at various levels are to serve the people, it is only proper that they should wholeheartedly help the people solve their problems and get rid of their troubles. The CPC Central Committee always advocates that cadres should go among the masses in order to make friends with them, have heart-to-heart talks with them, and earnestly help them solve some concrete problems in their thoughts, at work, and in daily life. Comrade Deng Xiaoping said in December 1980, "While paying close attention to principles and policies to the appointment of important cadres, the party's leading organs should focus their time and energy mainly on ideological and political work, work related to man, and mass work."

Anything that makes a person feel unhappy is extremely important to that person and he certainly wishes to have his problem solved as soon as possible, although it is merely something trivial in the eyes of the leaders. To a youth, for example, the problem of whether he can continue his studies at higher level school or whether he can get a good job is indeed very important. His demand may or may not be reasonable. Anyway, it is an important thing which has a bearing on his future.

The leaders should go to him and try to find out what is on his mind in order to help satisfy his reasonable demands or to help him understand why his demands are unreasonable. This will set his mind at ease.

Some comrades may think that with a country so big and with such a large population, how can we ever solve all the people's problems, which vary greatly and are complex? It is true that no one is capable of solving all these problems. Even if the old problems are solved, new ones will crop up. However, if we keep on solving one problem after another, we shall reduce their number. Besides, people will draw inferences about other cases from one instance and a kind of chain reaction will take place. The solution to one problem will help solve many other problems. In the course of solving problems, we can grasp some laws of development of things which will enable us to formulate feasible policies. What the masses worry about most is that the leading comrades of some departments merely talk about matters of principle but do not seriously solve any concrete problems.

Our party has a fine tradition and has accumulated rich experience in problems related to man. However, the "leftist" ideology had much influence in this respect and caused barriers between organizations and the masses, and even suspicions among the people. Through the work to set things aright, the situation has changed. The practice of attacking people finds little support, relations between the party and the people have been fundamentally improved, and relations between man and man have also been improved. However, the bureaucratic practices of standing high above the masses and showing no concern for them, and of exercising "principled leadership" of issuing documents and holding meetings are still quite common. Consequently, some party and CYL organizations, some leading organs, and some leading cadres are quite divorced from the masses and the masses do not feel attached to them. We should keep a watchful eye on this.

Work related to man is extremely important and it is at once difficult and not difficult to do. It is difficult to do because it needs time and painstaking work to solve the problems of the masses in their work, study, daily life, and thinking. It is not difficult to do because the masses are reasonable. If the leaders show concern for the masses, the masses can understand why there are temporary difficulties. If we do mass work well, we will be able to arouse even greater enthusiasm for building socialism among the people. "Occupying a high position, one should be concerned with the interests of the people" is a well-known sentence in Fan Zhongyan's "Yueyang Tower." Today, this sentence should have added meaning. Our leading cadres at all levels and all comrades doing ideological work, please come out of your towers and courts and work among the masses! This is the demand of the party and the appeal of the people.

END TO FORCED SELLING OF SHODDY GOODS URGED

HK021141 Beijing JINGJI RIBAO in Chinese 25 Apr 86 p 1

[Commentator's Article: "Grasp the Crucial Point in Stopping Forced Selling of Undesirable Goods"]

[Text] Commenting on the discussions initiated by this newspaper on the "prevalent malpractice of forced selling of undesirable goods," a State Council official recently pointed out that the main factors behind forced selling are that some state-owned industrial enterprises are not good at management, do not strive for technological advances, ignore consumer needs and force state-run commercial departments to sell their inferior but expensive goods to consumers. These factories first sell their shoddy but expensive and undesirable goods to commercial departments through coercive measures (or by illegal means) and the commercial departments sell them to the masses of the people by compulsory means. In resolving this problem, we must eliminate inferior goods and promote industrial progress.

These remarks by the State Council official fit the remedy to the persistent ailment of the forced selling of undesirable goods.

The malpractice of forcing consumers to buy undesirable goods appears in the field of circulation but the "source of the malpractice" flows from production departments. Some industrial enterprises lag behind technologically and are not good at management, do not strive for further progress and reform, and ignore market demands and the interests of the people and keep on blindly producing inferior and slow-selling goods. Government departments in some areas are fully aware that some goods produced by industrial enterprises in their areas are unsalable because they are poor in quality and high in price. However, being concerned with their local and immediate interests, they support or support in disguised form these industrial enterprises in continuously producing such goods and force or force in disguised form local commercial units to practice the forced selling of such goods. What is more intolerable is that some industrial enterprises abuse the decision-making power that has been extended to them in the course of reform, and promote the sale of goods under all sorts of pretexts and by illegal means such as bribery or by under-the-table commissions. As a result, some inferior and unmarketable goods flow into the field of circulation and are sold by compulsory means along with high-quality, brand-name and salable goods. This is because a rational price system has not yet been established and so far, we cannot properly widen price differentials for products of varying quality. Consequently, the the malpractice of palming off the bad as the good in the afore-mentioned production and marketing links cannot be checked but worsens.

Therefore, the key to the elimination of the malpractice of forced selling of undesirable goods lies in reforming the economic management system, delegating more decision-making power to the enterprise, promoting technological transformation in the existing enterprises, enhancing the quality of products, improving the mix of products, and increasing the output of high-quality, brand-name, and readily marketable commodities by every possible means so as to gradually stop the flow of shoddy and undesirable goods into the field of circulation. Meanwhile, through reform of the price control system, we must gradually straighten out the major price relations and properly widen price differentials for products of varying quality so as to fundamentally change the economic conditions which protect the production of inferior products and eradicate the grounds for forced selling.

Of course, reform undergoes a gradual process of progressive exploration and experimentation. We will be able to finally eliminate the forced selling of undesirable goods through reform. But this does not mean that we can allow the malpractice to spread unchecked in the course of reform. The industrial, commercial, and price control departments, the industrial and commercial management departments and consumers associations should go into action right now to strengthen economic management, administrative intervention, and social supervision so as to check and eliminate the malpractice of forced selling to a maximum in an all-round way.

GU MU SPEAKS ON CRACKING DOWN ON SMUGGLING

OW041109 Beijing XINHUA Domestic Service in Chinese 1453 GMT 3 May 86

[By RENMIN RIBAO reporter Liu Xiao and XINHUA reporter Chen Naijin]

[Excerpts] Beijing, 3 May (XINHUA) -- The fifth meeting on cracking down on smuggling in the three southeastern provinces was held from 28 April to 3 May in Beijing.

State Councillor Gu Mu attended and spoke at the meeting. Gu Mu pointed out: At present, our country has made good progress in cracking down on smuggling. Various localities and comrades directly involved in the work against smuggling have done a lot of work. Cracking down on smuggling is a prolonged struggle, and so leading cadres at various levels and comrades in charge of the work against-smuggling must carry forward the spirit of arduous struggle, wage resolute struggles against the criminal activities of smuggling and selling smuggled items, and protect state sovereignty in order to insure the successful implementation of reform and the policy of opening to the outside world and to promote the building of socialist modernization in our country.

According to the information provided by the meeting, since the fourth meeting on anti-smuggling work in 1984, the comrades in charge of the work of cracking down on smuggling at various levels in Guangdong, Fujian, and Zhejiang have been faithful to their duties, strengthened efforts to investigate and stop smuggling on land and sea, and taken vigorous measures to investigate and handle major and serious cases of smuggling activities by some enterprises. They have made great achievements in their work.

The meeting decided that attention should be paid to the following work: It is necessary to educate cadres at various levels on straightening out their ideas on and heightening their understanding of the danger and harm of smuggling and selling smuggled items. It is imperative to effectively crack down on serious smuggling activities by enforcing the law strictly. It is necessary to take comprehensive measures to deal with smuggling activities and strengthen the control and management of fishing boats and freighters in coastal areas. The examination and approval of import items in special economic zones and the Hainan Administrative Area should also be strengthened.

The representatives of offices in charge of anti-smuggling activities of Guangdong, Fujian, and Zhejiang Provincial People's Governments, the representatives of units directly handling anti-smuggling work, and responsible comrades of concerned departments of the party Central Committee and the State Council attended the meeting.

'RASH OF SWINDLING' HITS INSURANCE COMPANIES

HK020717 Beijing CHINA DAILY in English 2 May 86 p 3

["Special to CHINA DAILY" by Gu Jianzhong]

[Text] China's insurance companies, facing a booming business across the country, have recently been hit by a rash of swindling.

According to reports from local branches, the People's Insurance Company of China has uncovered more than 40 cases of fraudulent attempts to collect insurance compensation involving tens of thousands of yuan.

The most serious case was in Changping County of Beijing where some 150,000 yuan worth of plywood was burnt to ashes at a multiple-processing factory in an effort to claim 210,000 yuan under a property insurance policy. The factory owned huge debts to its customers.

Police discovered the fraud when they found the warehouse had been forcibly entered and traces of gasoline were detected.

They arrested the factory manager and his accomplice on charges of arson.

A number of other cases of fraud involved patients who took out life insurance when they found out they were fatally ill.

In Guangdong Province, the son of 58-year-old Zhang En took out four 10-year-term policies for a total of 520 yuan on behalf of his father. He lied that his father's health was good although he knew he had lung cancer.

Yang Meiying, 47 died only three months after she bought five 20-year-term life policies for a total of 1,640 yuan. She was found to have been suffering from chronic diabetes and was in critical condition when she bought the insurance.

To prevent more incidents of this type, the People's Insurance Company of China has established new rules.

First, on-the-spot inspection of insurance claims must be made in co-operation with public security organs, transport management offices, hospitals and repair shops to make sure that property damage was due to natural causes.

Second, life insurance applicants must have health certificates verified by hospitals. For those suffering from chronic diseases, the number and terms of policies must be limited. Compensation will not be paid for deaths within three months of the issuing of policies.

POWER MINISTRY OFFICIAL URGES END TO MALPRACTICE

OWO31427 Beijing XINHUA Domestic Service in Chinese 0912 GMT 2 May 86

[By Reporter Yu Youhai, correspondent Lu Bin]

[Excerpts] Beijing, 2 May (XINHUA) — An official of the Ministry of Water Conservancy and Electric Power told reporters: Over the past several years, the power department has stepped up efforts to deal with "power bullies," the malpractice of seeking personal gains has not been eliminated. A handful of workers and staff of some units have abused their powers to extort the consumers.

The official said: To combat the malpractices of the "power bullies" and to correct unhealthy tendencies in the power industry, the Ministry of Water Conservancy and Electric Power, in November 1983, issued the "Decision on Combating the Power Bullies" and published the "Open Letter from the Ministry of Water Conservancy and Electric Power to Power Consumers Throughout the Country." Subsequently, the ministry investigated and handled a number of typical cases of seeking personal gain. We must exert further efforts in this respect in future. On the other hand, we must also strengthen the spiritual civilization of the workers and staff, and foster the ideology of "the people's power industry serving the people." A campaign for high quality service by the power supply units will be launched among the power supply departments across the nation this year. We hope that the entire society will supervise our work.

ZHAO ZIYANG INSCRIPTION FOR BOOK ON REFORMER

SK280635 Beijing BEIJING RIBAO in Chinese 17 Apr 86 p 1

[Text] Premier Zhao Ziyang praised the fine Communist Party member Zhang Jieshi as an "ordinary but great reformer," whose reformative and creative spirit and honest work-style are the embodiment of the spirit of the era.

On 10 April, Premier Zhao Ziyang wrote an inscription for the book "Zhang Jieshi, A Reformer Who Is Honest in Performing His Duties," which will soon be published. The inscription reads: "An indomitable reformative and creative spirit, and an honest work-style of serving the people wholeheartedly are conspicuous strong points of Comrade Zhang Jieshi, and also an embodiment of the spirit of the era. It is hoped that the publication of the book 'Zhang Jieshi, A Reformer Who Is Honest in Performing His Duties,' will help in our study of the noble characters of this ordinary but great reformer, and then in promoting the socialist construction and reform of our country continuously." Premier Zhao Ziyang was deeply concerned over the reform of the Changcheng Raincoat Company, and once heard a report by Comrade Zhang Jieshi.

Comrade Zhang Jieshi was a special-grade model worker of our municipality, and manager of the Changcheng Raincoat Company during his lifetime. Thanks to his reformative and creative spirit, he turned a seriously overstocked enterprise into the largest raincoat company of the country in his 5-year term of office. He unfortunately died of liver cancer on 22 March this year.

The book "Zhang Jieshi, A Reformer Who Is Honest in Performing His Duties," introduces Zhang Jieshi's dedication to reform with his deeds in reform and running the company. It was compiled by the Research Office of the Ministry of Light Industry, the Organization Department and the Party Rectification Office of the Beijing Municipal CPC Committee, and the Beijing Municipal Second Light Industrial General Company, and will be published in late April by the publishing house of the Ministry of Light Industry.

WUHAN SECURITY BUREAU CRACKS TAIWAN KMT SPY CASE

HK020943 Wuhan CHANGJIANG RIBAO in Chinese 24 Apr 86, p 1

[Report: "The State Security Organ of the Wuhan City Public Security Bureau Cracks Taiwan KMT Spy Case"]

[Text] With the vigorous support of units concerned and active assistance given by the masses of people, the State Security Organ of the Wuhan City Public Security Bureau has cracked a Taiwan KMT spy case after a thorough investigation. The secret agent, Lin Qingtai, was recently sentenced by our country's judicial organ to 12 years imprisonment and deprivation of political rights for 3 years.

Lin Qingtai, a male aged 44, was formerly a worker at the Wuhan "471" Factory. Not long after he settled in Hong Kong, he became acquainted with Taiwan KMT special agents operating in Hong Kong and was recruited by the enemy secret service as a member. After he joined the service, he slipped into Wuhan and other places on many occasions to carry out his activities. With money and materials as the bait, he recruited secret agents on the mainland, gathered political, economic, and military information from our country, and worked energetically in the service of the enemy secret service, thus jeopardizing our country's security.

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HK050844 Beijing RENMIN RIBAO in Chinese 30 Apr 86 p 7

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WEI CHUNSHU ON GUANGXI ECONOMY STRONG, WEAK POINTS

HK300157 Nanning Guangxi Regional Service in Mandarin 1100 GMT 29 Apr 86

[Excerpts] Comrade Wei Chunshu spoke on making rational arrangements and taking advantage of strong points in his report on the draft of the Seventh 5-Year Plan delivered at the regional people's congress session. He spoke on three issues in this respect: 1) Continually deepen understanding of Guangxi's conditions and have a clear picture of the characteristics and strong points of its economy. 2) Make rational arrangements for economic construction, based on reality. 3) Open up all opportunities for speeding up the exploitation of resources.

Chairman Wei said: Comrade Yaobang pointed out when inspecting our region this year that Guangxi, Yunnan, and Guizhou have the following outstanding strong points, taking account of the development needs of the whole country: 1) an abundant and relatively full range of mineral resources; 2) abundant subtropical industrial crops; 3) large areas of mountains and pastures.

Guangxi also has abundant hydroelectric resources, the aquatic product resources of the Beibu Gulf, tourism resources centered on Guilin, and the foreign trade ports of Beihai and Fangcheng on the coast and Wuzhou. We thus have good conditions for developing foreign economic relations and trade.

However, Guangxi's economic foundation is poor. We are in financial difficulties. There is a large population and little arable land. Our education, science, and technology are backward, and there are not enough talented people. This is the other side of the coin, which constitutes a constraining factor on economic development.

Chairman Wei said: We should gradually establish and form a number of economic development bases. These should include bases for subtropical crops; for raw materials, focused on non-ferrous metals, manganese, non-metal mining, and building materials; for export commodities; for tourism; for mountain area animal husbandry and forestry; and for aquatic production in the Beibu Gulf. We should speed up the development of the key cities and the eastern part of Guangxi, and strengthen the economic and cultural construction of the western part.

We must use our limited capital in the places and sectors where it is most necessary and appropriately concentrate it in subordination to macroeconomic policymaking. The capital should mainly be used for improving energy and communications and implementing a number of projects with strong points in resources and the ability to produce good economic results.

HAINAN PLA HOLDS MEETING ON PARTY RECTIFICATION

HK010828 Haikou Hainan Island Service in Mandarin 0400 GMT 1 May 86

[Text] The Hainan Military District recently held a meeting of CPC Committee secretaries of units at the regimental level and of party rectification inspectors to study the instructions of the leaders of the central authorities and military commission, to analyze the situation in party rectification, to exchange experiences, and to make new arrangements for comparison and examination in party rectification at the regimental level.

Liu Guinan, Hainan Military District CPC Committee secretary and political commissar, attended the meeting and spoke. Units including Hospital 187 of a certain anti-aircraft gun regiment of the Yulin Military Subdistrict introduced their experiences at the meeting.

The meeting demanded: Party organizations at and above the regimental level must begin with ideological education and seriously do a good job in comparison and examination. Leaders must do well in publicizing the circulars of the Central Commission for Guiding Party Rectification and Central Discipline Inspection Commission on strengthening discipline and the spirit of the upper levels' relevant documents on party rectification. They must define guiding ideology and the demarcation line for policies. In comparison and examination, it is necessary to regard the CPC committees and county groups as the main bodies and to regard the practical problems as the main contents. CPC committee secretaries must be bold in facing reality, work hard to accurately grasp the main problems, take the lead in doing well in criticism and self-criticism, and really correct the new unhealthy trends.

The meeting also made arrangements for the method, steps, and time of comparison and examination in the organs of the CPC committees.

HUBEI MEETING VIEWS RECTIFYING PARTY STYLE

HK021012 Wuhan Provincial Service in Mandarin 1100 GMT 30 Apr 86

[Excerpts] On the morning of 29 April, the leadership group for straightening out party style under provincial organs and the CPC Committee of provincial organs jointly held a meeting on exchanging experiences in straightening out party style. Ding Fengying, Standing Committee member of the provincial CPC Committee and deputy secretary of the provincial Discipline Inspection Committee, and Tian Xinbo, deputy secretary of the provincial Discipline Inspection Committee, attended the meeting.

At the meeting, responsible comrades from the provincial construction bank, the Chinese Science Academy Wuhan branch, and the provincial educational committee introduced their experiences in straightening out party style.

Comrade Deng Fengying delivered a speech at the meeting. After reviewing the initial achievements provincial organs have made in straightening out party style, she put forth demands on the work of straightening out party style in provincial organs in the next stage. She emphasized that while making continued efforts to curb and correct six malpractices, we must treat correcting malpractices with trade characteristics as important work in straightening out party style. At present, we must seriously deal with some malpractices with trade characteristics about which the masses have many complaints. For example, the malpractice of arbitrarily establishing schools, charging tuition fees, and issuing diplomas; the malpractice of power industry departments seeking their own interests by taking advantage of their power supply; the malpractice of financial departments seeking their own interests by advantage of their power in granting loans; the malpractice of labor and personnel departments in recruiting workers, students, cadres, and transferring cadres; and the malpractice of commercial departments in dealing with short-supply goods by backstairs influence. Deng Fengying said that leading cadres must set a good example in straightening out party style and must take the lead in correcting malpractices.

In conclusion, Deng Fengying said that we must correctly understand and handle the relationship between straightening out party style and opening up to the outside world and enlivening the domestic economy. Malpractices and economic crimes are not necessarily related to reform, to opening up to the outside world, and to enlivening the domestic economy. On the contrary, they have undermined reform and implementation of the open policy. Therefore, it is necessary to resolve these problems.

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TAIWANESE PILOT SEEKS ASYLUM IN PRC

Lands at Guangzhou

OW031327 Beijing XINHUA in English 1320 GMT 3 May 86

[Text] Guangzhou, May 3 (XINHUA) -- A Boeing 747 cargo plane of Taiwan's China Airlines, piloted by crew Commander Wang Xijue, landed at Baiyun Airport here today in a bid to return to the motherland, according to the Civil Aviation Administration of China (CAAC). The plane landed at the airport at 15:10. Also on board were co-pilot Dong Guangxing, mechanic Qiu Mingzhi and 220,000 pounds of cargo. The plane and its cargo have been taken proper care of. Commander Wang Xijue requested to be allowed to live on the mainland to be reunited with his family. CAAC has asked China Airlines to send a representative to Beijing as soon as possible to discuss how to deal with the plane, its cargo and other crew members.

CAAC Cables Taiwan Airline

OW031433 Beijing XINHUA in English 1423 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- The Civil Aviation Administration of China (CAAC) sent a telegram today to Taiwan's China Airlines, inviting it to send a representative to Beijing to discuss how to deal with its cargo plane which landed in Guangzhou earlier today. CAAC informed its Taiwan counterpart in the telegram that a Boeing 747 Cargo plane of China Airlines landed at Guangzhou's Baiyun Airport at 15:10 hours today. The crew commander, Wang Xijue, requested to be allowed to live on the mainland. "Please send your representative as soon as possible to Beijing to discuss with CAAC how to deal with the plane, its cargo and other crew members," CAAC says.

Guangdong Fetes Pilot

OW031706 Beijing XINHUA in English 1701 GMT 3 May 86

["Returned Taiwan Pilot Feted in Guangzhou" -- XINHUA headline]

[Text] Guangzhou, May 3 (XINHUA) -- Pilot Wang Xijue, who landed a cargo plane of Taiwan's China Airlines at Guangzhou's Baiyun Airport earlier today, was feted here this evening. The hosts included Lin Ruo, secretary of the Guangdong provincial committee of the Chinese Communist Party, and Ye Xuanping, governor of Guangdong. The two leaders welcomed Wang to come and settle down on the mainland.

The pilot, 56, is a native of Sichuan province. He entered an Air Force Academy of the Kuomintang in 1948 and went to Taiwan the following year. Later, he joined the China Airlines. Wang told the hosts that he had been missing the mainland and the kith and kin here. "I'm very happy to see you," he said. The compatriots in Taiwan are all looking forward to the resumption of trade, telecommunications and navigation between Taiwan and the mainland, he added.

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[A similar item carried by Guangzhou Guangdong Domestic Service in Mandarin at 0300 GMT on 4 May adds the following: Wang Xijue said: There have been great changes in the motherland in recent years and there has been considerable improvement in living standards. The orientation now is to concentrate efforts on economic development. This is extremely correct.]

Interview With GUANGZHOU RIBAO

OW050925 Beijing in Mandarin to TAIWAN 0400 GMT 5 May 86

[Text] In an interview with reporters of GUANGZHOU RIBAO and Guangdong Television Station at the airport, Wang Xijue, crew commander of the Boeing-747 cargo plane of Taiwan's China Airlines who flew the plane back to the motherland, said with great excitement: I have longed to return to the motherland for years. The Chinese people on both sides of the Taiwan Strait wish for reunification of the motherland and believe that it will come about sooner or later. It is entirely on my own free will that I return to the motherland, and it has nothing to do with any other person. Even my relatives did not know of my plan to return. My wife and children are in Taiwan. I hope they will not be subjected to persecution by the Taiwan authorities. He added: I am now 56 years old and can still fly a few more years. I would gladly render my services to the Civil Aviation Administration of China if so requested.

Wang Xijue toured Guangzhou yesterday. He visited the ongoing China Export Commodities Fair, the China Hotel, the Dongfang Guesthouse, the White Swan Guesthouse, the Garden Hotel, and the Guangzhou Zhongshan Memorial Hall. He also toured the Baiyunshan scenic spot. Wang glowingly said: The changes that have taken place in the motherland are greater and better than I thought.

Wang Xijue flew the plane to Guangzhou from Singapore after loading it with cargo in Bangkok on the afternoon of 3 May. Wang is a native of Suining County, Sichuan Province. His father and brothers still live in his hometown.

BOOK TO ANSWER TAIWAN COMPATRIOTS QUESTIONS

HK280018 Beijing ZHONGGUO XINWEN SHE in Chinese 0850 GMT 26 Apr 86

[Text] Beijing, 26 Apr (ZHONGGUO XINWEN SHE) -- To answer the questions raised by Taiwan compatriots and Overseas Chinese interested in the motherland's great cause of reunification, the Mainland Affairs Publishing House has invited the proper specialists and scholars to compile "Answers to Questions Raised by Taiwan Compatriots," which will be published in Beijing this June.

The book is a collection of the 60 questions most frequently raised by Taiwan compatriots. They include: What is meant by "one country, two systems"? What are its essential features? What are the essential features of the mainland's opening up policies? Will the present policies continue to be implemented in the future? How do the government and people on the mainland appraise Dr Sun Yat-sen? Why does the CPC not promise the United States that it will not use force against Taiwan? How are those KMT generals captured many years ago doing now? Why does the CPC allow advocates of "Taiwan independence" to visit the mainland? How can one assure that the CPC does not intend to annex Taiwan? Why is the slogan "Rule of Taiwan by Taiwan people" not favored? Is it still necessary to transform the intellectuals on mainland? How bad was the Tangshan earthquake?

These are just some of the questions concerning the mainland rural economy and the life of urban workers on the mainland. The specialists and scholars will answer these questions on the basis of facts and the principle of seeking truth from facts.

CAL ASKS CATHAY PACIFIC TO NEGOTIATE ON PLANE CREW

HK040736 Hong Kong AFP in English 0728 GMT 4 May 86

[Text] Taipei, May 4 (AFP) -- China Airlines (CAL) Sunday asked the Hong-Kong based Cathay Pacific Airways to negotiate on its behalf for the return of its cargo plane with three crew aboard which landed at Guangzhou in southern China, a CAL official said. CAL Public Relations Director Lin Liang-chih said the flag carrier had requested that China return the jet and three crew "according to international practices, and we have asked Cathay Pacific to negotiate with China on our behalf."

The Civil Aviation Administration of China (CAAC) has sent CAL a telegram asking that it send a representative to Beijing as soon as possible to discuss how to deal with the plane, its cargo and the two other crew members. The Taipei authorities refuse to have any form of direct contact with their rivals in Beijing. The cargo plane serving the Singapore-Bangkok-Hong Kong-Taipei route landed at Guangzhou's Bai Yun airport Saturday at around the time it was scheduled to arrive in Hong Kong. The plane was carrying 214,500 pounds (96,525 kilograms) of cargo which included fruit and tires.

It was not known why Captain Wang Hsi-chueh, 56, flew the plane to China. The two other crew members were co-pilot Tung Kuang-hsing, 57, and flight engineer Chiu Ming-chih, 39. The NEW CHINA NEWS AGENCY (NCNA) quoted Mr. Wang as requesting to be allowed to live on the mainland to be reunited with his family. Mr. Wang's family here refused to believe the NCNA report and begged the Chinese authorities to return him to Taiwan.

Mr. Wang's wife of 30 years, Fei Hsin-lin, said her husband had no reason to defect to China. "We are a very happy family and he has been doing well in his job," she said. Their eldest son, 29, was married in January and another son, 17, is a high-school student. A 26-year-old daughter lives in Canada. Mrs. Wang said her husband, a graduate of Taiwan's Air Force Academy, had received a dozen awards for carrying out successful reconnaissance missions over China before he joined CAL in 1967. "If he had wanted to live on the mainland, he didn't have to wait until now," she said. "I just don't believe it was his decision to fly the plane to China and I beg them (Chinese authorities) to let him come back." Mrs. Wang added that her husband is a native of Sichuan Province in central China. His mother died when he was young, and his aging father may still be alive.

FORMER COMMUNIST PILOT BROADCASTS TO MAINLAND

OW011457 Taipei CNA in English 1448 GMT 1 May 86

[Text] Taipei, May 1 (CNA) -- Former Chinese Communist pilot Chen Pao-chung told his compatriots on the China mainland in a broadcast Thursday that the major reason he decided to leave his family and risked his life to seek freedom here is that he hopes to do something meaningful for his free mother country. Chen, who flew a MiG-19 to South Korea two months ago and returned to this nation Wednesday, visited the central broadcasting station in Taipei Thursday. Through a broadcast to the China mainland, Chen explained why he decided to seek freedom.

Chen said that his action to seek freedom is an expression of his support of the government's call for reunifying China through the Three Principles of the People. He believed that he has made a right decision to come to free China and hopes his parents and a girl friend would feel proud of him for what he has done. He also called on the Chinese communists not to take reprisal against his family and girl friend whom he described as innocent and unaware of his plan.

Talking about the current situation on the China mainland, Chen said most people on the China mainland have completely lost their faith in the Chinese Communist regime and its four modernization projects. Chen also said he hopes his colleagues on the mainland will follow his example and take actions to show their support of the call for reunifying China through freedom and democracy.

Earlier in the day, Chen called on Foreign Minister Chu Fung at his office and expressed thanks to all personnel at the ministry and staffers at the ROC [Republic of China] Embassy in Seoul for helping him realize his wish. In the evening, Chen attended a dinner party at the Air Force Officers Club hosted by Gen. Kuo Ju-lin, commander-in-chief of the ROC Air Force. Also present at the dinner were eight former red Chinese pilots who have succeeded in their bid to seek freedom here including Kao Yu-tsung, Liy Cheng-shih, Li Hsien-pin, Fan Yuan-yen, Wu Jung-ken, Sun Tien-chin, Wang Hsueh-cheng and Hsiao Tien-jen.

YUAN EXPLAINS NO CONTRACTS POLICY WITH PRC

OW011359 Taipei CNA in English 1343 GMT 1 May 86

[Text] Taipei, May 1 (CNA) -- The Executive Yuan said Thursday that if the Republic of China establishes "substantive contacts" with the Chinese communists, it would fall into their united front traps. It also pointed out that the country's insistence on not talking and trading with the communist regime is aimed at countering its united front tactics.

The Cabinet made the remarks in a written reply to an interpellation by Legislator Hsieh Hsueh-hsien. The Cabinet said that Peiping is applying a flanking tactic to tempt this country into negotiating with it. "Its ultimate goal is to take over Taiwan," the cabinet said. "To counter Peiping's united front offensive," it added, "we should stand firm and united and continue expanding our strength based on the past achievements." The Cabinet said, "We should have the confidence that the Three Principles of the People will prevail over communism in the near future."

On the suspension of diplomatic relations with those countries that have established formal ties with the Peiping regime, the Cabinet said that the government has taken various practical factors into consideration before making a final decision. "Such decision should also comply with our basic anti-communist policy and national interests as well," it noted.

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C H I N A
HONG KONG MEDIA ON CHINA

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PRC REJECTS CPA AS MEDIATOR OVER DEFECTING PLANE

HK050517 Hong Kong Commercial Radio in English 0430 GMT 5 May 86

[Text] China has rejected an attempt to get Cathay Pacific Airways [CPA] to mediate in talks on the return to Taiwan of a CAL [China Air Lines] plane which landed in Guangzhou at the weekend. Head of the Civil Aviation Authority in Guangzhou (Yu Yuen Yen) told Commercial Radio that any discussion must be done directly between Taipei and Beijing, not through a third party. He stressed that the questions of the plane and the defecting pilot are an internal affair and has nothing to do with other people.

The Boeing 747 was flown to Guangzhou on Saturday bypassing Hong Kong where it was to have landed. The pilot Wang Hsi-chueh sought political asylum afterwards but two other crew members of the cargo plane want to return to Taiwan. Cathay Pacific Airways have refused all comment on the matter. But a spokesman for CAL, Larry Lin told Commercial Radio on the telephone a short while ago that they had not had word from Beijing on the matter. He said CAL has appointed Cathay Pacific to talk for them and this is permitted under international law.

[Begin Lin recording] We appointed CPA to do the contact for China Air Lines to return the aircraft and the crew members and the cargo. According to the international civil aviation traditional practice no one should keep the aircraft and crew members from other airlines. So they should return the aircraft and crew members to China Air Lines. [end recording]

HSIN WAN PAO CRITICIZES TAIWAN NO CONTACTS POLICY

HK040808 Hong Kong HSIN WAN PAO in Chinese 4 May 86 p 1

["New Talk" column: "There Should Be a Breakthrough in the Three Nos' Policy as Taiwan Plane Lands in Guangzhou"]

[Text] The Taiwan authorities face a tricky problem: how to get back the China Airlines Boeing 747 that landed at Guangzhou's White Cloud Airport yesterday. The mainland has repeatedly declared in recent years that it hopes for "three contacts" with Taiwan -- in postal services, commerce, and transport links. But the reply of the Taiwan authorities has been "three nos" -- no contacts, no talks, no compromise.

Now that this problem has cropped up, will they initiate contacts and talks with the mainland and try to reach a solution in order to recover this aircraft which was purchased from the United States only last year or not? The mainland is handling this aircraft incident in a way markedly different from those of the past. Several aspects of this merit attention.

First, the pilot Wang Xijue diverted to Guangzhou while flying from Bangkok to Hong Kong. Reporting this, XINHUA merely said that he "flew the plane to the motherland and requested to stay there and to be united with his family." This is completely different from any reports issued previously.

Second, the Civil Aviation Administration of China [CAAC] immediately cabled Taiwan's China Airlines to inform them of the incident. This was obviously treating the incident as a matter to be handled by the two business organizations, without inflating or escalating it.

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Third, although the cable was brief, it vaguely revealed that the aircraft and those crew members who did not wish to stay would be allowed to return. The cable said, "our administration invites you to send your representative to Beijing as soon as possible to discuss how to deal with the aircraft, its cargo, and the other crew members."

Fourth, leaders of Guangdong Province received and feted Wang Xijue yesterday evening, but the other two crew members were not present. However, Guangdong officials stated: "We welcome those who come and will give a send-off to those who leave," thus expressing an attitude of allowing freedom of movement. This is precisely an important component part of the Taiwan policy previously stated by the mainland authorities.

Up to now, China Airlines has not yet contacted the CAAC. It appears that this is not a problem that can be solved by China Airlines alone: It can only make a move after the Taiwan authorities have made their choice. However, the Taiwan authorities are unable to produce a suitable counterstrategy in a hurry, since they are locked into the policy of the "three nos."

A report from Taipei in a Hong Kong paper this morning said that China Airlines issued a statement early today to the effect that the Taiwan authorities would bring the two crew members back to Taiwan with the help of a third party. The report did not mention the aircraft. The report did not elaborate on who the third party might be. If the Taiwan authorities want foreigners to act for them, then the Chinese people on both sides of the Taiwan Strait will feel a common disappointment. The mainland has already clearly stated that this affair can be satisfactorily dealt with through contacts. If they want foreigners to act on their behalf in a small matter between Chinese, do they still want to use the old almanac of 40 years ago?

Maybe the location mentioned by the CAAC in its hope that China Airlines would send someone to Beijing was a bit conspicuous. But so long as China Airlines makes contact, it seems that this point is by no means non-negotiable.

Apart from the above-mentioned "three nos," the Taiwan authorities have recently added a further "three nos" regarding representation in the Asian Development Bank -- no recognition, no withdrawal, no attendance. A few days ago there was a welcome rally for the "anticommunist hero Chen Baozhong." All this comes under the category of strangling yourself in your own web. The result is that when this incident of the China Airlines plane landing in Guangzhou occurs, they have no room to maneuver and can hardly deal with it. It is evident that the time for a breakthrough in the "three nos" has indeed come.

REACTION TO CHERNOBYL ACCIDENT STRESSES NUCLEAR SAFETY

HK030250 Hong Kong WEN WEI PO in Chinese 3 May 86 p 1

[Dispatch from correspondent Cheng Hsiang: "China Pays Close Attention to Lessons of Soviet Nuclear Disaster, Instructs Group of Experts to Submit Report"]

[Text] Beijing, 2 May (WEN WEI PO) -- According to well-informed sources, the CPC Central Committee and the State Council are paying close attention to the accident in the Soviet nuclear power station and are asking Chinese nuclear power experts to submit a report to the central authorities about the accident and give their opinions. At the same time, the pace of the progress of the construction of the Daya Bay nuclear power station will not be affected by this incident.

According to a spokesman of the Ministry of Nuclear Industry, following the outbreak of a serious fire in the Soviet nuclear power station, the central authorities have already asked Chinese nuclear experts to provide information and give their opinions. The minister of nuclear industry is personally heading a group of experts to study the impact of this accident on the development of China's nuclear power industry. The spokesman said that the nuclear power station where the accident occurred is the type of reactor with a "graphite core," but in developing its nuclear power industry, China will choose "pressurized water reactors." Our country has selected "pressurized water reactors" for both its Qinshan nuclear power station and Daya Bay nuclear power station. He said that in the past China conducted numerous studies and according to the results, decided to select "pressurized water reactors," because the security coefficient of "graphite reactors" is inadequate and because "pressurized water reactors" are safer.

Since in a "graphite reactors," fuel rods are put in pipes and because there is pressure in the pipes when the reactor is operating, radioactive matter will directly enter the atmosphere if there is an accident. But in a "pressurized water reactor," the whole reactor is covered by a pressure shell, which constitutes a safety shell that ensures that in case of an accident, radioactive matter will be contained in this shell and will not leak into the atmosphere.

Pollution is relatively small in an accident in a "pressurized water reactor" such as the accident in the Three Mile Island nuclear power station in the United States. The group that the minister of nuclear industry personally heads, consists of security defense experts, environmental protection experts, scientific intelligence units and nuclear engineers, including "graphite reactor" experts. Their work covers the following spheres: Collecting materials about this accident; analyzing the structure and components of various types of reactors; and providing the central authorities with opinions on the development of China's nuclear power industry. At present, experts on "graphite reactors" are simulating the various scenarios which may have led to the accident. He expressed the view that so far no analysis has been made to give the actual cause of the accident and that the Soviet side has not yet published anything about its cause. Chinese and Soviet experts have not made any contact concerning the incident.

Concerning the impact of this incident on the development of China's nuclear power industry, the spokesman said that although the accident occurred in the Soviet Union, it has had a very shocking impact on us, since people have a common worry about possible accidents in nuclear power plants. It is only natural that they are talking about the incident. Therefore, the central authorities are also paying close attention to this accident. However, the spokesman has not heard of any change in policy decisions concerning our country's nuclear power industry.

On the other hand, the Guangdong Nuclear Power Joint Company has already decided to postpone its board meeting in order to collect sufficient information before the meeting. The board meeting was originally scheduled on 6 May, but it has now been decided to postpone it until 14 May in order to have sufficient information to discuss the matter at the meeting. The company said that this accident in the Soviet Union has sounded an alarm for China and made it pay close attention to security since the very beginning of the development of its nuclear industry. Before the incident occurred, the central authorities issued one instruction after another calling on us to do a good job of safety. Now, the various departments concerned will attach even greater importance to this issue.

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